

ABKHAZIA: WAYS FORWARD

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EXECUTIVE SUMMARY

Fourteen years of negotiation, led alternately by the UN and Russia, have done little to resolve the Georgian-Abkhaz conflict. There have been some successes on the ground: ceasefire violations are rare, approximately 45,000 internally displaced (IDP) Georgians have returned to homes in the Gali region, the two sides cooperate on operating the Inguri power plant, and a strategic railway through Abkhazia may restart. But the sharp deterioration in Russian-Georgian relations and a Georgian military adventure in the Kodori valley have contributed to a freeze in diplomacy over Abkhazia since mid-2006. In the absence of a new initiative, new violence is a real possibility. Because prospects are bleak for an early comprehensive settlement of the key political issues, in particular final status, the sides and international facilitators should shift their focus in 2007 to building confidence and cooperation in areas where there are realistic opportunities.

Abkhazia insists on recognition of independence and says it is establishing democratic values and rule of law but the international community unanimously considers it part of Georgia. Tbilisi sees inability to regain full control as impeding state-building, national security and economic development. Over 200,000 IDPs from Abkhazia live under harsh conditions in Georgia proper. Years of stalemate have solidified each side's distorted and negative image of the "other". The Abkhaz have lived under economic restrictions since 1996 with little opportunity to trade or travel; they continue to fear Georgia's army and a new war. The entity's dependence on Russia has grown as its ability to forge links with other states has been constrained.

There was optimism in spring 2006 that extensive discussions on increasing cooperation and resolving disputes could begin: the sides resumed talks within the UN-led Coordinating Council for the first time since January 2001, the Abkhaz presented a "Key to the Future" document, and Georgia issued a "Road

Map". But nothing came of it. After Georgia launched a special forces operation in the Kodori valley in July, the Abkhaz pulled out of all negotiations. Diplomacy is frozen, with few incentives to restart it. Georgia has adopted a new strategy, calling for changes in the formats for negotiations and peacekeeping so as to reduce Russia's influence in both. Moscow and Sukhumi oppose these changes, and they are not strongly backed by Georgia's Western partners.

Because neither the local nor the wider political environment is conducive to breakthroughs, this report argues that for at least the next year the only way forward is to emphasise confidence building rather than negotiation of the central political issues. Georgia should take concrete steps such as signing a pledge on the non-resumption of hostilities, lifting economic sanctions and encouraging greater economic development and international engagement in Abkhazia to regain credibility and trust with Abkhaz counterparts. If it wants to be treated as a legitimate dialogue partner, Sukhumi should show more interest in cooperation. The alternative is bleak. If the sides continue to flex their muscles and do not resume talks, there could be renewed hostilities in 2007, especially in and around the Kodori valley and the Gali district.

RECOMMENDATIONS

To the Georgian Government and Abkhaz De Facto Authorities:

1. Resume negotiations under UN auspices and continue high-level meetings on security matters and law enforcement cooperation in the conflict zone, while fully respecting the 1994 ceasefire and refraining from militant rhetoric or provocative armed actions.

2. Sign an agreement on non-resumption of hostilities and IDP/refugee return based on the December 2005 text and hold a meeting between President Saakashvili and de facto President Bagapsh to endorse it.
3. Deal with the legacy of the 1992-1993 conflict, investigate war crimes as defined by international law, prosecute those responsible and adopt legislation to amnesty those who participated in the conflict but committed no war crimes.
4. Create a working group on education issues to develop a common history textbook in Georgian and Abkhaz, improve conditions for Georgian-language schools in Gali and prepare more Abkhaz-language textbooks, especially in humanities/social science topics.
5. Establish the Black Sea Railway Consortium (with Russian and Armenian participation) to restore the rail link via Abkhazia and agree interim measures to regulate Georgian-Abkhaz transportation, communication and trade.

To the Georgian government:

6. Keep the personnel and weapons in the Kodori valley in line with the 1994 Moscow Agreement, lower the Abkhaz government in exile's profile there significantly and refrain from holding alternative elections for local government or parliamentary representatives in Abkhazia.
7. Establish a more consistent and coordinated policy emphasising the need for peaceful resolution of the conflict and appoint an experienced lead negotiator who can build trust with Sukhumi.
8. Cease efforts to terminate the Commonwealth of Independent States (CIS) peacekeeping operation until alternatives acceptable to both the Georgian and Abkhaz sides have been identified.
9. Stop enforcing the economic restrictions on Abkhazia and allow the reopening of airport, railroad, seaport and other communications.
10. Adopt a more active policy on IDPs, including:
 - (a) agreeing to start the verification exercise by the UN High Commissioner for Refugees (UNHCR) on returns in the Gali region in the first half of 2007 and producing accurate statistics on the number of IDPs in Georgia;

- (b) adopting and implementing the draft National Strategy on IDPs and Action Plan; and
- (c) ensuring better representation of IDPs and their interests in governmental bodies, political parties, the media and NGOs.

11. Support international organisations working on projects in Abkhazia and encourage large donors like the European Bank for Reconstruction and Development (EBRD), the Millennium Challenge Georgia Fund and the U.S. Agency for International Development (USAID) to do more there.

To Abkhaz De Facto Authorities:

12. Welcome deployment of UN civilian police to help increase local law enforcement capacities.
13. Expand Georgian representation to at least 50 per cent in law enforcement and administration in the Gali region.
14. Support the opening of a human rights office in Gali, directed and staffed by local NGOs but benefiting from the expertise of a UN human rights officer stationed in Gali.
15. Halt privatisation of homes and businesses which compromises IDP and refugee return, and devise a strategy for return to parts of Abkhazia beyond the Gali region.

To the Russian Government:

16. Work for peaceful resolution of the conflict, including by:
 - (a) committing at the highest level not to take unilateral measures but instead to continue to work for solutions agreed by the parties and which enjoy wide international support; and
 - (b) lifting the economic sanctions on Georgia and halting deportation of legal Georgian migrants from Russia.

To the Group of Friends of the Secretary-General and Other Members of the UN, the EU, NATO and Donor Agencies:

17. Increase financial and technical support to projects which aim to build confidence between Georgians and Abkhaz and support economic development and democratisation in Abkhazia.

18. Continue to contribute sufficient funds and personnel to the UN Observer Mission in Georgia (UNOMIG).
19. Make non-use of force (military or police operations) in Abkhazia a condition for further Georgian integration into Euro-Atlantic structures.

Tbilisi/Brussels, 18 January 2007

ABKHAZIA: WAYS FORWARD

I. INTRODUCTION

The Georgian-Abkhaz conflict has festered since fighting ended in 1993, and over half of the mainly Georgian pre-war population remains displaced. The territory is internationally recognised as part of Georgia but the Abkhaz claim a right to statehood based on national self-determination. Over the past decade they have begun developing their own state institutions, rehabilitating the local economy, providing social services and establishing rule of law. In the process they have become highly dependent on Russia for military and economic security. Tbilisi is intent on reincorporating the entity and ensuring that internally displaced persons (IDPs) and refugees can return to their homes.¹

Since the signature of the 1994 ceasefire and separation of forces agreement (Moscow Agreement), peace negotiations led by the UN and Russia have failed to forge a comprehensive peace settlement. Many issues in today's discussions are the same as those raised in the mid-1990s. The conflict zone, however, has remained relatively quiet. Security deteriorated in 1998 in the Gali region, and in 2001 and 2006 in the Kodori valley but there are not the regular ceasefire violations and mounting casualties experienced in nearby Nagorno-Karabakh.²

¹ Abkhazia – the Abkhazia Autonomous Republic within the Georgian SSR in Soviet times – borders Russia to the north and the Georgian region of Samegrelo to the south east. Its 8,700 square km (one eighth of Georgia's territory and nearly half its coastline) has a population of approximately 200,000. Before the 1992-1993 military conflict, 525,000 lived there. The fighting, in which 8,000 died and 18,000 were wounded, left Abkhaz troops in control of the entire entity except the upper Kodori valley. For more on the origins of the conflict and its aftermath see Crisis Group Europe Report N°176, *Abkhazia Today*, 15 September 2006.

² For more on that conflict see Crisis Group Europe Report N°165, *Nagorno-Karabakh: Viewing the Conflict from the Ground*, 14 September 2006 and Crisis Group Europe Report N°167, *Nagorno-Karabakh: A Plan for Peace*, 11 October 2006.

Georgians and Abkhaz have been living in parallel realities that are drifting further apart, though in a few key areas, where small groups are cooperating, there has been progress which offers opportunities to build on. Significantly, these are in areas the negotiations already address, such as security, IDP and refugee return and socio-economic cooperation. Status resolution, however, has become intractable. This report discusses the status options favoured by the two sides but does not offer a recommendation on the ultimate solution, which can only come at the end of a step-by-step process, after confidence and trust have been built, security guaranteed, organised return initiated and cooperation solidified.³

Another obstacle to conflict resolution is the souring of Georgian-Russian relations.⁴ Russia banned imports of Georgia's agriculture products in December 2005.⁵ Three months later, it did the same to wines and brandies. This was a significant economic blow, as Russia had taken 87 per cent of the country's wine, worth \$63 million.⁶ Moscow also stopped mineral

³ The UN and EU have come to similar conclusions. In his September 2006 report on Abkhazia, the UN Secretary-General said: "A negotiated solution for the Georgian-Abkhaz conflict is undoubtedly difficult to reach today, as the positions of the two sides have grown further apart over the years on the question of political status. There is no alternative however to dialogue". EU Special Representative for the South Caucasus Peter Semneby made similar recommendations to Georgia in October, saying "to create the conditions for resolving the conflicts by peaceful means, the rhetoric will have to be toned down and will have instead to be replaced by confidence building measures of various kinds to create the conditions for a real dialogue". Ahto Lobjakas, "Georgia: EU urges 'confidence building' with separatists", RFE/RL Caucasus Report, vol. 9, no. 34, 6 October 2006.

⁴ Russian-Georgian relations will be the subject of a subsequent Crisis Group report.

⁵ In December 2005 the Russian Ministry of Agriculture imposed "temporary" restrictions on the import of some agricultural products from Georgia. "Russia restricts import of agricultural products from Georgia", *Civil Georgia*, 20 December 2005.

⁶ On 27 March 2006 Russia banned imports of Georgian wines and brandy for what it said was failure to meet safety

water imports in early May 2006 and in July closed the only legal border crossing, at Zemo Larsi, citing repairs. All air, sea, land and railway links as well as postal communications were blocked from 3 October.⁷

This last measure occurred after Tbilisi arrested four Russian officers for alleged spying on 27 September.⁸ Five days later, in a humiliating public ceremony, they were handed over to the Organisation for Security and Cooperation in Europe (OSCE), which transferred them to a Russian airplane.⁹ In reaction, Russia stopped issuing visas to Georgians,¹⁰ recalled its ambassador for consultations and launched a “partial evacuation” of its citizens. Since October it has deported over 1,000 Georgians, two of whom died in the process.¹¹ At the same time there were widespread reports of intimidation of Georgians in Russia, and Gazprom doubled the 2007 prices of its gas to \$235 per 1,000 cubic meters.¹²

and hygiene standards. “PM: Russia’s ban on Georgian wine import unfair”, *Civil Georgia*, 30 March 2006.

⁷ “Russian transport ministry cuts links to Georgia”, *Civil Georgia*, 3 October 2006. The Russian Duma has discussed but not legislated a ban on money transfers from Russia to “certain countries” in times of emergency. “Spy row ends, but tensions remain”, *Civil Georgia*, 2 October 2006.

⁸ Eleven Georgian citizens were also arrested. Interior Minister Merabishvili said: “The group’s major sphere of interest was gathering information about Georgia’s armed forces, Georgia’s NATO integration, energy security, opposition parties and non-governmental organizations, military procurements, sea ports and railways, and Georgian troops stationed in the conflict zones”. “4 Russian officers arrested, charged with espionage”, *Civil Georgia*, 27 September 2006.

⁹ “Spy suspects ‘handover ceremony’ aired live”, *Civil Georgia*, 2 October 2006. “U.S. Welcomes Release of Russian Officers”, *Civil Georgia*, 3 October 2006. President Saakashvili stated: “Enough is enough. We want to have good relations, we want to be constructive, and we want dialogue with Russia but we cannot be treated as a second-rate backyard of some kind of re-emerging empire”. “Spy row ends, but tensions remain”, *Civil Georgia*, 2 October 2006.

¹⁰ The Russian Consulate in Tbilisi is not presently issuing visas to Georgians.

¹¹ “Minister: Georgia is preparing deportees’ case for ECHR”, *Civil Georgia*, 31 October 2006. “Georgia Says Russia’s ‘Inhumane Act’ Caused Man’s Death”, *Civil Georgia*, 18 October 2006. “CoE chief concerned over death of Georgian awaiting deportation”, *Civil Georgia*, 5 December 2006. The European Commission against Racism and Intolerance (ECRI) adopted a statement on 15 December expressing “deep concern”. Council of Europe, Press Release, 18 December 2006. “Georgian Dies During Deportation from Russia”, RFE/RL, 17 October 2006.

¹² A positive development in 2006 was March signature of a bilateral agreement on withdrawal of Russian military forces

While this dispute blocks any real chance of movement on the status question, Georgia should press forward on other fronts by taking unconditional and unilateral steps to build confidence and credibility with Sukhumi. Some elements within the Georgian government – especially in the Ministry of Foreign Affairs – appear to understand the priority. According to a senior official of that ministry, “it’s an illusion to think that status can be immediately solved....We need first to build confidence and trust and engage in direct contacts”.¹³ However many influential officials argue that no cooperation is possible while Abkhazia pursues independence. For the Abkhaz it is easy to turn away – especially to Russia – but they should strive for a balanced approach, realising that there is no long-term benefit in relying entirely on their self-interested northern neighbour.

Georgia has repeatedly stated that it will resolve the territorial dispute peacefully.¹⁴ However, officials have also suggested that without an early change in the status quo, the situation may deteriorate rapidly. At the UN General Assembly in 2006, President Saakashvili warned: “If we fail to unite in support of new mechanisms to advance peace...we risk plunging the country into darkness and conflict”.¹⁵ Other Georgian officials have made stronger statements about military options.¹⁶ The Kodori valley, scene of a July 2006 Georgian military operation, is especially susceptible to an increase in tensions after the winter snows melt, as is Gali in the security zone.

from Georgia. Russia completed the removal of military equipment from Tbilisi in December and is ahead of schedule at two army bases in Akhalkalaki (expected to be closed in 2007) and Batumi (2008).

¹³ Crisis Group interview, senior official, Georgian Ministry of Foreign Affairs, Tbilisi, December 2006. Similarly, see the statement of Gela Bezhuashvili, Minister of Foreign Affairs at the OSCE Ministerial Council, Brussels, December 2006: “We are convinced that investing in democracy is good both for us and the entire OSCE area. The improved human and economic dimension is the only means to address the challenges we are facing, and we want the benefits of our choice to be available to all our compatriots, including those in South Ossetia and Abkhazia”.

¹⁴ Most recently, Prime Minister Zurab Nogaideli, remarks to the OSCE Permanent Council, Vienna, 27 October 2006.

¹⁵ UN General Assembly, New York, 23 September 2006.

¹⁶ The hard-line defence minister, Irakli Okruashvili, who often made such statements was however dismissed in November 2006.

II. THE NEGOTIATION PROCESSES

Russia and the UN have taken turns as the leading force behind negotiations. Tbilisi has increasingly argued, however, that Moscow is a participant in the conflict, not an honest broker, while the Abkhaz question the impartiality of the UN and the Western members of the Group of Friends of the Secretary-General. Since 1997, the sides have met within the UN-chaired Geneva Peace Process,¹⁷ which is facilitated by Russia, with the participation of the OSCE, and observed by the Group of Friends, including France, the UK, the U.S., Russia and Germany.¹⁸ The UN has only provided good offices and facilitation, not tried to arbitrate or offer strong incentives or disincentives to influence the sides. With about 1,500 peacekeepers from the post-Soviet Commonwealth of Independent States (CIS), themselves monitored by some 120 UN observers,¹⁹ it does not have the tools to enforce a peace.

A. THE UN-LED PROCESS

The UN became engaged soon after the outbreak of fighting. In 1993 it established its Observer Mission in Georgia (UNOMIG),²⁰ whose main mandate, periodically extended by the Security Council,²¹ is to monitor and verify the ceasefire, observe the CIS peacekeeping force, verify that the parties' troops remain outside the security zone, patrol the Kodori valley and contribute to establishing conditions conducive to the safe and orderly return of refugees

and IDPs. Its 2006-2007 budget is \$34.8 million, but collecting sufficient contributions has proven difficult.²²

To advance negotiations, the UN established the Coordinating Council in 1997,²³ intended to be a flexible instrument which would meet at least every two months and in emergency situations could be convened immediately. It was to map out areas where progress was possible on practical issues, until a comprehensive political settlement could be achieved.²⁴ Three working groups were set up: on the permanent non-resumption of hostilities and security problems; refugees and IDPs; and economic and social problems.²⁵ The UN succeeded in internationalising the process by including the Group of Friends and the OSCE. It also held three high-level meetings on confidence building measures, in Athens (October 1998), Istanbul (June 1999) and Yalta (March 2001). The latter produced the Yalta Declaration, including an ambitious "Program of Action on Confidence Building", which was never implemented.²⁶ Whenever meaningful progress appeared close, events on the ground intervened, especially in 1998 and 2001.

¹⁷ The first talks between the parties took place in Geneva in November-December 1993. Since 1997, the secretary-general's special representative (SRSG) has been based in Tbilisi, chairing the Geneva Process and heading UNOMIG.

¹⁸ The OSCE maintains a human rights officer in Sukhumi to promote confidence-building measures. Russia is also a member of the Group of Friends, which was formed on French initiative in 1993.

¹⁹ A maximum of 136 military observers are authorised by Security Council Resolution 937 of 21 July 1994.

²⁰ Security Council Resolution 858 of 24 August 1993. After fighting resumed in September 1993, the Security Council adopted an interim mandate for its mission (Resolution 881 of 4 November 1993). After the sides signed the 14 May 1994 Moscow Agreement, it approved the present mandate (Resolution 937 of 21 July 1994).

²¹ Most recently on 13 October 2006, through 15 April 2007, Resolution 1716.

²² As of 30 June 2006, unpaid assessed contributions to UNOMIG were \$13.6 million. "Report of the Secretary-General on the situation in Abkhazia, Georgia", 28 September 2006, p. 9.

²³ Established pursuant to the Final Statement of the Georgian and Abkhaz sides (Geneva, 17-19 November 1997). Until then Secretary-General Boutros Boutros-Ghali was comfortable allowing Russia to lead. Crisis Group interview, former UN official, Tbilisi, October 2006. SRSG Edouard Brunner was not resident in the region, limiting his ability to react to sudden changes and build trust. When he was replaced by Liviu Bota, it was agreed that the UN would strengthen its involvement in the process aimed at achieving a comprehensive settlement. Besides setting up the Coordinating Council, it began high-level Group of Friends meetings.

²⁴ "Report of the Secretary-General on the situation in Abkhazia, Georgia", 29 July 1997, addendum, para. 2.

²⁵ Statute of the Coordinating Council, adopted at the first meeting, on 18 December 1997 in Sukhumi. It was decided to send a needs assessment mission to Abkhazia in 1998.

²⁶ In the Yalta Declaration, the "sides reaffirmed their commitments regarding the non-use of force against each other in resolving any disputes, with a view to achieving a comprehensive political settlement of the conflict. They also noted the importance of... intensifying efforts to create the necessary conditions for the voluntary and safe return of refugees". The Annex to the Program of Action detailed fifteen agreed people-to-people confidence building measures. Letter dated 17 March 2001 from the Acting Permanent Representative of Georgia to the UN, addressed to the President of the Security Council, Annex.

Coordinating Council work, halted in 2001,²⁷ resumed only after a five-year pause on 15 May 2006.²⁸ The sides expressed confidence the time was right for talks on non-use of force and return of refugees/IDPs,²⁹ and they agreed on a schedule for reactivating the working groups in May and June. However, the working groups on security and on refugees and IDPs met only once, and attempts to convene a second meeting of the Coordinating Council in July failed.³⁰

The Abkhaz de facto president is adamant that his government will only return to the table after the pre-July 2006 situation is restored in the Kodori valley by withdrawal of Georgia's armed formations and the Abkhaz government in exile.³¹ Georgia now challenges the usefulness of the existing negotiation mechanisms and calls for new ones based on direct dialogue between the sides and greater international involvement. The Coordinating Council's activities are frozen.

The Group of Friends became increasingly influential in 2003-2006, when direct talks were largely suspended.

²⁷ In 2001 the Abkhaz stopped participating in the Coordinating Council in reaction to a drastic deterioration of security in the Kodori Valley. In October 2001 Georgian paramilitaries, supported by Chechen fighters and, allegedly, the Ministry of the Interior attacked Sukhumi from there before Russian air power forced a retreat. See the journal article by David Darchiashvili, "October-November events in Georgia from the viewpoint of civilian-military relations", *Army and Society in Georgia*, September-October 2001, available at <http://www.lib.berkeley.edu/doemoff/slavic/pdfs/army0901.pdf>.

²⁸ A 19-20 February 2003 high-level meeting chaired by the under secretary-general for peacekeeping, Jean-Marie Guehenno, with senior representatives of the Group of Friends, kept the UN-led peace process alive by recommending establishment of three new task forces, on political and security issues, economic issues, and return of IDPs/refugees. First Geneva Meeting of the Group of Friends of the Secretary-General, press release, 20 February 2003. This process, known as Geneva II, helped keep the sides in touch on security issues from 2003-2005.

²⁹ Protocol of the First Session of the Resumed Coordinating Council of Georgian and Abkhaz Sides, Tbilisi, 15 May 2006. The meeting was a few weeks before SRSG Heidi Tagliavini handed over to current SRSG Jean Arnault. She summed up four years (2002-2006): "We started from a total deadlock in the negotiation in the peace process over very practical steps, to actually a possibility for a political dialogue now that I am leaving". "UN envoy says dialogue possible over conflict in Abkhazia, Georgia", UNOMIG Events & Stories, 13 July 2006, available at <http://www.un.org/apps/news>.

³⁰ See UNOMIG press release, Sukhumi, 2 August 2006. After the Kodori events, the UN failed to convene a second session of the Coordinating Council in Sukhumi on 2 August 2006.

³¹ Crisis Group interview, de facto president of Abkhazia, Sukhumi, September 2006.

Through UN-chaired, high-level meetings in Geneva, it offered recommendations to maintain a sense of momentum.³² It meets regularly at ambassadorial level in Tbilisi and at both expert and ambassadorial levels in New York and Moscow. Since mid-2003, Germany has been its coordinator.³³ Meetings tend to occur before Security Council discussions on Georgia and extension of UNOMIG's mandate. The Group drafts all Security Council resolutions and presidential statements on Georgia. These resolutions are often based on internal compromises between Russia and its Western members.³⁴ In an attempt to build confidence with the Abkhaz, the Group of Friends went to Sukhumi in 2003 for the first time in four years and has since visited periodically. The next high-level Group meeting, chaired by the UN's under secretary-general for peacekeeping, is planned for February 2007 in Geneva.

The UN-led process has been most successful in maintaining communication between the sides on security issues. The special representative of the secretary-general (SRSG) has been facilitating meetings on security guarantees since July 2003. Other field level sessions that have generally continued without political obstruction are the weekly quadripartite meetings and the meetings of the joint fact-finding group.³⁵ Since December 1996 the UN also maintains an office "for the protection and promotion of human rights in Abkhazia, Georgia" (HROAG), in Sukhumi,³⁶ with staff seconded by the Office of the High Commissioner for Human Rights (OHCHR) and OSCE.

B. THE RUSSIAN-LED PROCESS

Russia was involved with the negotiations before the UN and now acts variously in parallel, in cooperation and in competition with the world body. From 1992 to 1997 it led the peace process, bringing about

³² Meetings chaired by the UN's under secretary-general for peacekeeping, with senior Group of Friends and occasionally Georgian and Abkhaz representatives, were held in February 2003, July 2003, February 2004, December 2004, April 2005 and February 2006.

³³ France previously exercised this function.

³⁴ The October 2006 Security Council resolution, for example, was the subject of intense discussions between Russia and the Western members of the Group of Friends. For more see Security Council Update Report, Georgia no. 1, 12 October 2006.

³⁵ See below.

³⁶ Established in accordance with Security Council Resolution 1077 of 22 October 1996.

ceasefires, culminating in the 1994 Moscow Agreement. It regularly convened the sides to address the status issue and drafted protocol agreements.³⁷ It also influenced the reactions of the neighbouring states to the conflict through the Council of the Heads of State of the CIS. Especially in these early years, senior officials were directly involved.³⁸ President Boris Yeltsin met several times with Georgian President Shevardnadze, and de facto Abkhazia President Vladislav Ardzinba. In 1996-1997 Foreign Minister Yevgeny Primakov personally tried to push the sides toward a political solution. From 1997 to 2000, the last Yeltsin years, however, Russia's engagement waned.

Moscow only began to reassert itself in 2003.³⁹ A few weeks after a February Group of Friends meeting reactivating the Geneva process, Putin and Shevardnadze⁴⁰ agreed in Sochi to create working groups on return of refugees and IDPs, initially to the Gali district; restoration of Sochi-Tbilisi railway traffic; and energy projects, including renovation of the Inguri power station.⁴¹ Surprisingly, their final statement did not mention the similar agreement the Group of Friends had endorsed shortly before. The "Sochi Process", however, generally complemented the Geneva one,⁴² its meetings focussing on economics and return while the UN's concentrated on security. The Sochi talks on return and the railway made some progress and contributed to practical cooperation.⁴³

Russia's interests have evolved over the fifteen years, as have bilateral relations. Moscow, committed as it is to protecting its own interests in its near abroad, has never been fully neutral. In the mid-1990s, it seemed genuinely eager to stop the fighting and facilitate a

status agreement.⁴⁴ At that time, it was concerned that an independent Abkhazia could set a precedent for its own volatile North Caucasus, especially Chechnya. It also has always wanted to be recognised as a deal maker and its sole guarantor.

The significant deterioration in Russian-Georgian relations since mid-2004 has negatively affected the peace process. Georgia accuses Russia of de facto annexation of its territory through distribution of pensions and passports to Abkhaz residents, financial support and training of the Abkhaz military, statements in support of Abkhaz independence and investment in and trade with the entity.⁴⁵ In 2006 the Kremlin began talking about Kosovo as a precedent for international recognition of Abkhazia. In large part due to this, Tbilisi has left the Russian-led process. The last Sochi meeting (in Moscow) was in May 2006.

C. GEORGIAN PROPOSALS FOR REFORM

Georgia now wants Russia's facilitator role within the UN-led process to be modified. It suggests the Coordinating Council reconvene as a forum for direct dialogue between the Georgian and Abkhaz sides "under the patronage of the UN", with the Group of Friends serving as "facilitators and guarantors of the commitments resulting from the peace process". It wants the European Union (EU) and the OSCE as guarantors as well as observers.⁴⁶

There is nothing radical in this. It would only slightly diminish Russia's influence, while bringing in more pro-Georgian actors. However, Tbilisi has not been able to convince all parties – the Abkhaz especially – of the need for format change. The EU has expressed some interest in becoming an observer⁴⁷ but Russia shows no inclination to step back.⁴⁸ Sukhumi wants

³⁷ See below.

³⁸ Deputy Foreign Minister Boris Pastukhov led day-to-day talks.

³⁹ Georgian-Russian relations had earlier soured when Russia threatened to bomb Chechens taking refuge in Georgia's Pankisi Valley.

⁴⁰ De facto prime minister of Abkhazia, Genadi Gagulia, also attended.

⁴¹ "Final Statement on Meeting of the President of the Russian Federation Mr V. Putin and the President of Georgia Mr E. Shevardnadze", 7 March 2003. Interestingly no working group addressed security or political issues.

⁴² Crisis Group interviews, UNOMIG and Georgian Ministry for Conflict Resolution, April-July 2006. Crisis Group interview, special envoy, Russian Ministry of Foreign Affairs, Moscow, October 2006. Security Council Resolution 1524 states that the Geneva Process is "complemented by the working groups established in Sochi".

⁴³ As described below.

⁴⁴ Even at this time Georgians were convinced Russia was not impartial. See Oksana Antonenko, "Frozen uncertainty: Russia and the conflict over Abkhazia", in Bruno Coppieters and Robert Legvold (eds.), *Statehood and Security: Georgia After the Rose Revolution* (Cambridge, 2005), pp. 208-220.

⁴⁵ President Saakashvili, address at the UN General Assembly, New York, 22 September 2006.

⁴⁶ "Basic principles for the resolution of the conflicts on the territory of Georgia", Georgian non-paper, August 2006.

⁴⁷ As it is in Moldova; Ahto Lobjakas, "Georgia: Solana fears Kosovo 'precedent' for Abkhazia, South Ossetia", RFE/RL Caucasus Report, vol. 9, no. 34, 6 October 2006.

⁴⁸ Crisis Group interview, special envoy, Russian Ministry of Foreign Affairs, Moscow, October 2006.

Russia to remain the key facilitator, since it does not believe that anyone else would offer it the necessary security guarantees. The UN sees confidence building and implementation of existing agreements as the priority, not format change, which has become a divisive issue.⁴⁹

Georgia has also called for increased direct dialogue with the Abkhaz.⁵⁰ It has not defined how this would occur but the presumption is in meetings without outsiders. The Abkhaz may not refuse such encounters but for them to succeed, Georgia needs to treat the de facto authorities as legitimate partners representing Abkhazia's current residents. Too often it dismisses the Sukhumi leadership as Russian puppets.⁵¹ Tbilisi must also enter into dialogue unconditionally, without requiring the Abkhaz first to renounce independence claims.

Several international NGOs support direct dialogue. The UK-based Conciliation Resources (CR) has since 2000 organized nineteen such meetings with more than 100 Georgian and Abkhaz officials, politicians and civic leaders.⁵² Known as the Schlaining Process, these allow Georgians and Abkhaz to meet in an informal context to examine strategies and discuss formal negotiations.⁵³ The University of California (Irvine), the Heinrich Böll Foundation, International Alert and CR have organised other face-to-face dialogue meetings, though especially since 2006, Georgian authorities have sometimes refused to attend.

Georgia's capacity for direct dialogue weakened when its main negotiator, Irakli Alasania, was reposted as ambassador to the UN in July 2006 and the state minister for conflict resolution, Giorgi Khaindrava, was fired a few days later. Both had solid experience of the conflict, and Alasania especially had gained the trust of his Sukhumi interlocutors. He has not been replaced, and Merab Antadze, Khaindrava's successor, who divides his time between Abkhazian and South Ossetian issues, has not yet established a strong public profile.

⁴⁹ Crisis Group interview, official, UNOMIG, Tbilisi, December 2006.

⁵⁰ Saakashvili UN address, op. cit.

⁵¹ Influential Georgian parliamentarian, conference presentation, Bakuriani, December 2006.

⁵² It did this for several years in partnership with the Berghof Foundation for Peace Support, which has also organised separate meetings, most recently, on 8-12 December 2006, a trip for five Georgians and five Abkhaz to Cyprus to get first-hand information on the island's peace process. The Georgian government felt nothing was to be learned from a conflict frozen for more than 30 years, and no official attended. Crisis Group interview, senior official, Ministry of Foreign Affairs, Tbilisi, December, 2006.

⁵³ The last Schlaining meeting was 15-18 December 2006 in London with five Georgians and five Abkhaz (including two deputy ministers from each side). The process is part of a wider peacebuilding initiative implemented on both sides of the conflict divide and has included study visits to Northern Ireland and Scotland to examine conflict and governance issues. See <http://www.c-r.org/our-work/caucasus/caucasus-what.php>.

III. THE STATUS ISSUE

Status is the most difficult question. The two sides appear to have irreconcilable positions. Georgia refuses any compromise on territorial integrity; the Abkhaz demand independence as the only credible guarantee of their national survival. President Saakashvili is offering the “greatest possible autonomy”, without the right of secession, based on a “new, joint-state model of ethnic and civil cooperation”⁵⁴ but the Abkhaz are adamant on full independence.⁵⁵ Both consider compromise on status a red line not to be crossed.

A variety of options have been discussed, including common state, confederation and federation. Western governments have tended to advocate federal models in which Abkhazia would have a degree of control over its own affairs consistent with Georgia’s territorial integrity, as regularly reaffirmed by the Security Council⁵⁶ and, in a display of unity in the second half of 2006, by the EU,⁵⁷ NATO,⁵⁸ OSCE and the U.S.

However, the reality is that while Abkhazia is de jure part of Georgia, it functions as a separate entity. Little still ties it to Georgia, and Tbilisi exercises virtually no control on Abkhaz territory outside the upper Kodori valley. The Abkhaz feel that Georgia cannot guarantee their security; they are not (and do not want to be) represented in any Georgian government structures and they are not beneficiaries of any Georgian budget allocations. Their economy is turned towards Russia; there is no freedom of movement

with Georgia, and while fewer young Georgians speak Russian, fewer Abkhaz know Georgian. The de facto authorities have started to build capabilities to maintain a functioning government, provide social services and develop a local economy.

For several years, Georgia has pushed for status resolution, which the Abkhaz often refuse to discuss since they are aware of the international position.⁵⁹ However, the situation shifted in 2006 after Montenegro’s successful independence referendum and the beginning of the decisive phase of Kosovo status determination, when Russia began to express willingness to break from that consensus and consider Abkhazia’s independence. While the Kosovo and Montenegrin cases have increased Abkhaz optimism,⁶⁰ they have caused apprehension in Tbilisi.⁶¹

A. OPTIONS PROPOSED

Negotiations on status have tended to focus on theoretical distinctions between federations and confederations. There has been little discussion on how competencies would be divided, agreements implemented and institutions set up. Most models Russia proposed in the 1990s were based on confederal or common-state options. The UN more recently recommended a federal arrangement, culminating in the Boden Paper.

1. Confederal and common-state options

As early as 4 April 1994, the sides signed the “Declaration on Measures for a Political Settlement of the Georgian-Abkhaz Conflict”. While it did not specify final status, it said Abkhazia would have its own constitution, legislation and state symbols.⁶² There was also “mutual understanding” on “powers of joint action”, to include foreign policy, border guard arrangements, customs, energy, transport and communications, the environment and human rights.⁶³

⁵⁴ “Saakashvili speaks of Kodori”, *Civil Georgia*, 28 July 2006.

⁵⁵ In extensive discussions with de facto authorities, civil society representatives and average citizens in Sukhumi in May, July and September 2006, Crisis Group was unable to find anyone open to being part of a federal Georgia.

⁵⁶ Most recently Resolution 1716 of 13 October 2006; since at least Resolution 993 (1995), all resolutions on Abkhazia reaffirm commitment to Georgia’s sovereignty and territorial integrity.

⁵⁷ Common Foreign and Security Policy (CFSP) statements “Declaration by the Finnish Presidency on behalf of the European Union on recent developments in Georgia-Abkhazia and South Ossetia”, 20 July 2006; “Declaration by the Presidency on behalf of the European Union on the “referendum” and the “presidential elections” in South Ossetia, Georgia on the 12 November 2006”, 13 November 2006. The closing presidency statement on behalf of the EU at the December 2006 Ministerial Council (Brussels) included a similar declaration.

⁵⁸ Riga Summit Declaration, press release, 29 November 2006.

⁵⁹ According to Abkhaz de facto officials, the 1999 Abkhaz referendum on the constitution decided the status issue.

⁶⁰ For more on Kosovo status talks, see Crisis Group Europe Briefing N°45, *Kosovo Status: Difficult Months Ahead*, 20 December 2006.

⁶¹ President Saakashvili called Russian attempts to compare Abkhazia and Kosovo, “old fashioned,” “deeply immoral,” “inappropriate and reckless”, UN address, op. cit.

⁶² “Declaration on Measures for a Political Settlement of the Georgian-Abkhaz Conflict”, 4 April 1994, Article 6.

⁶³ *Ibid*, Article 7. The document did not include recognition of Georgia’s territorial integrity.

As negotiations proceeded, efforts were made to “find a solution within which Abkhazia would be a subject with sovereign rights within the framework of a union State”.⁶⁴

An observer reminisced: “In 1995 we were very close to an agreement...”.⁶⁵ There appeared to be an understanding on establishment of a state within the boundaries of the former Georgian Soviet Socialist Republic, creation of a “federal legislative organ”, and a “supreme organ of executive power”.⁶⁶ However, significant disagreements remained,⁶⁷ and in April 1995 the Abkhaz rejected a Russian draft protocol that would have recognised Georgia’s territorial integrity.⁶⁸ Talks continued in vain throughout 1996. Tbilisi wanted a text that showed Georgia as a single federal state within which Abkhazia had certain powers and rights. The Abkhaz insisted it describe creation of a new state, a union of two equal subjects, both recognised as subjects of international law, with full legal personality, sovereignty and right to secession.⁶⁹

An opportunity to create a “common state” was missed in 1997 when Russia intensified its involvement,

and a series of high-level direct talks were held.⁷⁰ On 14 August, when they met in Tbilisi, Shevardnadze and Ardzinba were expected to sign a protocol on resolution of the conflict⁷¹ according to which the sides would “live in a common state, in the borders of the former Georgian SSR of 21 December 1991”. Each would maintain its constitution, and relations would be regulated by a “special Agreement, which ... will have the weight of Constitutional law and be obligatory for both sides”.⁷² Functions similar to those outlined in the April 1994 declaration were to be delegated to common institutions, while Russia was to serve as sole guarantor. Points on IDP/refugee return were included.⁷³ At the last minute the Georgians pulled back; concerned that the agreement did not recognise territorial integrity and left open the right to secession.

As negotiations started and stalled throughout the 1990s, Abkhazia went about establishing state institutions. On 26 November 1994 the Abkhaz Supreme Soviet adopted a constitution.⁷⁴ On 23 November 1996, Abkhazia elected its de facto parliament. On 3 October 1999 a referendum adopting the constitution of Abkhazia as a “sovereign, democratic and legally based state”⁷⁵ passed overwhelmingly.⁷⁶

⁶⁴ “Report of the Secretary-General Concerning the Situation in Abkhazia, Georgia”, S/1994/529, 3 May 1994, para. 15, p.3. Already on 21 April draft “Proposals for Political and Legal Elements for a Comprehensive Settlement of the Georgian/Abkhaz Conflict” were presented to the sides. Article 4 included creation of a “union state” within the borders of the former Georgian SSR, reiterated the previously agreed joint competencies and gave Abkhazia “full measures of state power” outside the areas of joint action, including “to ensure public order” and conclude international treaties within its competencies. A non-paper on political and legal elements given to the sides in Geneva, 31 August-2 September 1994, was accepted as a basis for discussion in Geneva, 15-18 November 1994.

⁶⁵ Crisis Group interview, former UN official, Tbilisi, October 2006.

⁶⁶ “Report of the Secretary-General Concerning the Situation in Abkhazia, Georgia”, S/1995/181, 6 March 1995, para. 4, pp.1-2.

⁶⁷ On recognition of Georgia’s territorial integrity, characterisation of the state as federal, a joint army and legitimisation of the agreement, *ibid.*, para. 5, p. 2.

⁶⁸ They felt it offered only autonomy, not horizontal ties between two equal states, *ibid.*

⁶⁹ “Report of the Secretary General Concerning the Situation in Abkhazia, Georgia”, S/1996/284, 15 April 1996, para. 45, p. 10; Bruno Coppieters, Tamara Kovziridze, and Uwe Leonardy, “Federalisation of Foreign Relations: Discussing Alternatives for the Georgian-Abkhaz Conflict”, Harvard University Caspian Studies Program, Working Papers Series, no. 2, October 2003, p. 7.

⁷⁰ Russia hosted intensive consultations in Moscow, the deputy secretary of its security council visited Tbilisi and Sukhumi twice in July, Foreign Minister Primakov facilitated a Shevardnadze/Ardzinba meeting in Tbilisi on 14 August on the fifth anniversary of the start of the war, and the first deputy foreign minister led negotiations in Sukhumi in September. President Yeltsin invited Shevardnadze and Ardzinba to Moscow to sign a deal but they refused.

⁷¹ Instead they agreed to a statement in which they declared their “determination to put an end to the conflict... restore relations of peace and mutual respect ... [and] assumed an obligation not to resort to arms”. Statement on the meeting, Tbilisi, 14 August, 1997. Abkhaz negotiators claim the Georgians pledged to sign but rejected the draft at the last minute. Crisis Group interview, Abkhaz de facto minister of foreign affairs, Sukhumi, September 2006.

⁷² Russia was also promoting the “common state” model then to resolve the Nagorno-Karabakh and Transnistria conflicts.

⁷³ Draft protocol on Georgian-Abkhaz conflict settlement, 19 June 1997.

⁷⁴ The constitution declared Abkhazia a “sovereign democratic state”. Abkhazia said it was prepared to continue negotiations with Georgia “with a view to the establishment of a union State of two equal subjects”. On 6 December 1994, Ardzinba was inaugurated as “President of the Republic”.

⁷⁵ Constitution of the Abkhaz Republic, Article 1.

⁷⁶ The referendum has not been recognised internationally. According to the Abkhaz, 87.6 per cent of an electorate of 219,534 (itself 58.5 per cent of the pre-war electorate) took

Some analysts have suggested that the referendum was held on the constitution rather than explicitly on independence to leave room for negotiations on a possible arrangement between autonomy and independence.⁷⁷ However, the de facto authorities have never retreated from their insistence on independence.

2. The Boden Paper: a federal solution

After letting Russia lead for years, the UN became more active in 1999 with preparation and promotion of the “basic principles for the distribution of competences between Tbilisi and Sukhumi”, known as the “Boden Paper”.⁷⁸ Unlike earlier draft protocols, it never claimed to be the product of a step-by-step compromise between the two sides. Rather it sought to define a Group of Friends consensus on status, supported by the Security Council, to be presented as a basis for negotiation.⁷⁹ During the drafting, a main challenge was to get Russia on board.⁸⁰

The Boden Paper reaffirmed the inviolability of Georgia’s borders while offering Abkhazia broad powers in a federation:

Abkhazia is a sovereign entity, based on the rule of law, within the State of Georgia. Abkhazia enjoys a special status, within the State of Georgia, which is established by a Federal Agreement, providing for broad powers and defining the spheres of common competences and delegated powers, as well as guarantees for the

rights and interests of the multiethnic population of Abkhazia.⁸¹

The two-page document sought to balance the principles of territorial integrity and self-determination by maintaining Georgia’s territory but offering the Abkhaz “sovereignty” inside it. The compromise was a sharing of sovereignty based on a distinction between domestic and international aspects. The paper did not specify how this would happen or how competencies would be distributed other than that it would be done on the basis of the “Declaration on Measures for a Political Settlement” signed in 1994⁸² and would be governed by a “Federal Agreement” with “the force of Constitutional Law”. The sides would not have the right to “amend or modify ... nor terminate or invalidate it in any way”; that is, they would have no right to secession.⁸³ A transmittal letter submitted to the parties provided that Russia would be a guarantor.⁸⁴

Security Council resolutions expressed “strong support for the document ... and for its letter of transmittal, finalised by, and with the full support of, all members of the Group of Friends”.⁸⁵ Georgia endorsed the document.⁸⁶ However, all attempts to transmit it officially to Sukhumi and initiate discussions on it failed. The Abkhaz refused to consider it despite efforts by Boden and his successor, Heidi Tagliavini.⁸⁷ The Boden Paper clearly shows the limitations of an externally imposed resolution of the status issue.

part, and 97.7 per cent approved the constitution. See <http://cluborlov.com/apsny/>.

⁷⁷ Crisis Group interview, former UN official, Tbilisi, November 2006.

⁷⁸ Dieter Boden was then the UN secretary-general’s special representative.

⁷⁹ The document, prepared without Georgian or Abkhaz input, has never been officially published by the UN. One observer notes: “By defining Abkhazia’s status, in the absence of the Abkhaz, the Boden [document] was open to criticism that it represented an attempt to dictate an endgame to the process and not its beginning”. Teresa Whitfield, *Friends Indeed? The United Nations, Groups of Friends and the Resolution of Conflict* (Washington DC, forthcoming 2007).

⁸⁰ The Boden document was a compromise, not between the sides but between Russia and the Western members, who, with the Georgians, believed Russia could pressure the Abkhaz to accept it. Antonenko, “Frozen Uncertainty”, op. cit., pp. 239-240.

⁸¹ “Basic Principles for the Distribution of Competencies Between Tbilisi and Sukhumi”, para. 2, draft of 20 November 2001. For more detailed analysis of the Boden Paper see Bruno Coppieters, “Gruzino-abkhazski konflikt”, in Bruno Coppieters et al., *Yevropeizatsiya i razreshenie konfliktov: konkretnie issledovaniya yevropeiskoi periferii* (Moscow, 2005), pp. 197-236. Others have compared the advantages of symmetrical and asymmetrical federations. See Coppieters, Kovziridze and Leonardy, op. cit.

⁸² “Boden Paper”, para. 5.

⁸³ Ibid, para. 3.

⁸⁴ Other guarantors were not specified. The Boden document did not decide how defence and security issues would be addressed in the federation and what guarantees would be given to the agreement.

⁸⁵ Resolutions: 1393 and 1427 (2002), 1462, 1494, 1462 and 1494 (2003), 1524 and 1554 (2004), and 1582 and 1615 (2005).

⁸⁶ According to a senior official in the Georgian Ministry of Foreign Affairs, “Georgia accepted the Boden document for the sake of compromise”, Crisis Group interview, Tbilisi, December 2006.

⁸⁷ Moscow said it made several attempts to persuade the Abkhaz to receive the document. Antonenko, “Frozen Uncertainty”, op. cit., pp. 238-240.

Since March 2006 and under Russian pressure, the Security Council's support has weakened. Although it still recalls that support, it now also "welcomes additional ideas" that the parties might offer to facilitate dialogue under UN aegis.⁸⁸

B. OTHER OPTIONS

1. Georgian proposals

Tbilisi, fully backed by local public opinion and the political opposition, supports status solutions within Georgia involving substantial autonomy but no right to secede. In its 2006 "Road Map for a Comprehensive, Peaceful, Political Settlement of the Conflict in Abkhazia", it indicated that any settlement should be based "on the sovereignty, independence and territorial integrity of Georgia in its internationally recognised borders". Based on this and "stemming from the principles of federalism, the Georgian side is prepared to initiate consultations on granting to Abkhazia wide internal sovereignty....The dignified representation of the Abkhaz in all branches of power in Georgia" will also be guaranteed.⁸⁹ But Tbilisi has not detailed the powers it might delegate to Sukhumi.

The Georgian constitution stipulates that the internal territorial organisation will be decided "after the complete restoration of the jurisdiction of Georgia over the whole territory of the country"⁹⁰ and that a two-chamber parliament will be created with members from Abkhazia, Ajara and other territorial units.⁹¹ It describes Abkhazia and Ajara as autonomous republics. President Saakashvili has repeatedly referred to Ajara as a possible example for Abkhazia.⁹² On 1 July 2004, the Georgian parliament passed the

constitutional law on Ajara, giving extensive powers and oversight to the Georgian president and few competencies to Ajara.⁹³ Unsurprisingly this is not an attractive model for Sukhumi. Indeed, the de facto authorities point to it as evidence of why Georgia should not be trusted. Nor has Georgia's treatment of its minorities or recent local self-government reform⁹⁴ increased trust in its commitment to minority rights protection, decentralisation or federalism.

In mid-2004 independent Georgian experts produced a concept paper on Abkhazia's possible future status.⁹⁵ It noted that the government had not developed a consistent position on Abkhazia's level of sovereignty within Georgia and argued that the "historical, political, legal, cultural and economic distinctiveness of Abkhazia needs to be explicitly acknowledged and expressed".⁹⁶ It should be considered a "member" of Georgia, its status based on the division of state power between the two parts: the sovereign federal state and its founding member-subject (Abkhazia). Abkhazia would be recognised as an equal and independent partner, with a state's qualities and characteristics. Only Georgia would be a subject of international law, while Abkhazia would have "domestic sovereignty".⁹⁷ Secession would be inadmissible. Though many of these ideas were more developed than anything previously offered,

⁸⁸ Security Council Resolutions 1666 (2006) and 1716 (2006), para. 2.

⁸⁹ "Considerations of the Georgian side on defining the basic principles of the joint 'Road Map' for a comprehensive, peaceful political settlement of the conflict in Abkhazia", unofficial translation provided by the Ministry of Foreign Affairs, June 2006.

⁹⁰ Constitution of Georgia, Article 2, para. 3.

⁹¹ Ibid, Article 2, para. 4. A representative from Abkhazia would be given the position of deputy speaker of the Senate.

⁹² At a monument-unveiling in Ajara (Batumi) on 6 May 2006, President Saakashvili declared: "We are laying foundations for the monument which will symbolise the road and beacon which will return all of us to Abkhazia", see www.president.gov.ge/?l=E&m=0&sm=3&st=10&id=1843.

For a similar statement, see "President speaks of Abkhazia while boasting of Ajara success", *Civil Georgia*, 24 August 2006.

⁹³ For more on Ajara, see Crisis Group Europe Briefing N°34, *Saakashvili's Ajara Success: Repeatable Elsewhere in Georgia?*, 18 August 2004, pp. 10-12. According to prominent Georgian analysts, it "makes the Ajaran government a puppet in the hands of Tbilisi... contradicts not only the idea of autonomy, but also contemporary standards of self-government... 'autonomy' loses its meaning", Ivliane Khaindrava, Zaur Khalilov, Lela Khomeriki, Davit Losaberidze, Davit Melua, Tengiz Shergelashvili, Arnold Stepanian, Otari Zoidze, "Distribution of State Power Between the Central and Local Levels", in Armineh Arakelian and Ghia Nodia (eds.), *Constitutional/Political Reform Process in Georgia, in Armenia, and Azerbaijan: Political Elite and the Voices of the People* (Tbilisi, 2005), p. 35.

⁹⁴ For more on this see *ibid*; Crisis Group Europe Report N°178, *Georgia's Armenian and Azeri Minorities*, 22 November 2006; "Division of authority in Georgia", Transparency International Georgia, Tbilisi, October 2006.

⁹⁵ Konstantine Kublashvili, Archil Gegeshidze, Ivliane Khaindrava and Paata Zakareishvili, "Concept on the Special Status of Abkhazia in the Georgian State", unpublished paper, Tbilisi, 2004. David Bakradze, Tinatin Khidasheli and David Darchiashvili also contributed to the drafting of the concept paper.

⁹⁶ Ibid, para. 26, p. 6.

⁹⁷ Ibid, paras. 30-40, pp. 7-10.

ultimately neither Tbilisi nor Sukhumi took them as a starting point for talks.

C. ABKHAZ PROPOSALS

Since 1999, the de facto authorities have refused to consider any arrangement with Georgia that did not include recognition of Abkhazia's independence. Abkhazia's 2006 "Key to the Future" document proposed that Georgia initiate recognition of its independence to overcome barriers to peaceful relations and increase regional cooperation on security, stability and economic development.⁹⁸

Over the years the de facto authorities have become more confident about their prospects for international recognition. Confidence was boosted by the statements of Russia's Putin about the need to determine universal principles for self-determination and explicit linkages between Kosovo, Abkhaz and South Ossetian recognition.⁹⁹ In barely veiled threats in September 2006, the Russian president made the tie between Abkhazia and Kosovo even more explicit, stating: "One can't apply one rule to Kosovo and other rules in other situations...If the solution [for Kosovo] is not acceptable to us, we will not hold back from using our [Security Council] veto".¹⁰⁰ Abkhaz de facto President Bagapsh has tried to distance himself from such linkage, saying that Abkhaz independence is not dependent on Kosovo's.¹⁰¹ The Russian lower house of parliament unanimously passed statements calling for recognition of Abkhazia (and South Ossetia) on 6 December 2006.¹⁰² The same day, up to

40,000 Abkhaz gathered in Sukhumi to solicit international recognition.¹⁰³

Most of Georgia's partners have denied any "Kosovo precedent".¹⁰⁴ Yet, even while saying that the EU is committed to Georgia's territorial integrity, the High Representative for Common Foreign and Security Policy (CFSP), Javier Solana, mused in October 2006 that Kosovo independence might have consequences in Georgia.¹⁰⁵ Saakashvili has warned that:

Any hint of a precedent for Abkhazia and South Ossetia is, therefore, both inappropriate and reckless... If the Russian Federation persists in attempting to make this dangerous linkage and undermine that fundamental order, its impact will be far reaching, and the Pandora's box of violent separatism and conflict will be unleashed not in the Caucasus but across many parts of our globe".¹⁰⁶

The Kosovo case is, of course, distinct, not least because consideration of Kosovo's status is explicitly mandated in Security Council Resolution 1244.¹⁰⁷

⁹⁸ "Key to the Future" is an unpublished, May 2006 position paper containing the Abkhaz de facto government's proposals for a comprehensive resolution of the conflict.

⁹⁹ In a 31 January 2006 press conference, Putin asked: "If ... Kosovo should be granted full independence as a state, then why should we deny it to the Abkhaz and the South Ossetians?". Robert Parsons, "Is Putin looking to impose solutions on frozen conflicts?", RFE/RL, 2 February 2006. Since then he has been more explicit, including in a speech to Russian ambassadors, 27 June 2006. See www.kremlin.ru/eng/speeches.

¹⁰⁰ Putin interview, *Financial Times*, 10 September 2006.

¹⁰¹ Crisis Group interview, de facto president of Abkhazia, Sukhumi, September 2006. Bagapsh interview, "Morning with the BBC", reprinted in *Regnum*, 13 October 2006.

¹⁰² The first statement said the international community should consider the independence aspirations of the South Ossetian and Abkhaz people. The second said Russia should build ties with Abkhazia based on a request by the region's parliament for recognition of independence and "associated relations" with Russia. Senior Georgian officials were extremely critical

of both. "Tbilisi Fears Moscow is Preparing for S.Ossetia, Abkhazia Recognition", *Civil Georgia*, 6 December 2006.

¹⁰³ "In Sukhumi there was a national assembly of several thousands", *Apsny Press*, 6 December 2006 (in Russian).

¹⁰⁴ See, for instance, U.S. Under Secretary for Political Affairs Nicholas Burns, "the two situations are completely opposite and we don't agree at all with this idea that somehow one is a precedent for the other", BBC interview, 5 July 2006. On Kosovo-Abkhazia comparisons, see also Vladimir Socor, "Kosovo and the post-Soviet conflicts: no analogy means no precedent", Jamestown Foundation, 14 April 2006; Oksana Antonenko, "Not a Precedent, but an Opportunity", Russian Profile, 15 June 2006; Igor Torbakov, "Russia plays up Kosovo precedent for potential application in the Caucasus", *Eurasia Insight*, 12 April 2005; Zeyno Baran, "Kosovo precedent no solution for Caucasus region", *Financial Times*, 17 May 2006; Thomas de Waal, "Abkhazia-Georgia, Kosovo-Serbia: parallel worlds?", *Open Democracy*, 2 August 2006.

¹⁰⁵ "We are trapped here. President Saakashvili is trapped; all of us are trapped in a double mechanism that may have good consequences for one, but not for the other. It may not be a win-win situation", quoted in Ahto Lobjakas, "Georgia: solana fears Kosovo 'Precedent' for Abkhazia, South Ossetia", RFE/RL Caucasus Report, vol. 9, no 34, 6 October 2006.

¹⁰⁶ President Saakashvili, UN address, op. cit.. An influential Georgian parliamentarian, head of the defence and security committee, said: The recognition of these regions [Abkhazia, South Ossetia] by the Russian executive authorities will be equal to a declaration of war against Georgia". "Tbilisi Fears Moscow is Preparing for S.Ossetia, Abkhazia Recognition", *Civil Georgia*, 6 December 2006.

¹⁰⁷ If the Kosovo model is relevant, it may be to suggest that any Western recognition of Abkhazia would be very unlikely

Russia may, nevertheless, unilaterally recognise Abkhazia.¹⁰⁸ A few of its closest allies, especially in Central Asia, could then follow.¹⁰⁹ The Abkhaz leadership has made it clear that after Putin's statements, they expect him to follow up with recognition.¹¹⁰ Some Abkhaz political elites, however, also acknowledge the dangers of Russian unilateral recognition. They are wary of an option that would free them from Georgia but push them, perhaps permanently, into the orbit of an increasingly nationalist Russia. They also fear that Russia's support would be certain only as long as it could use Abkhazia to humiliate Georgia. If relations between Russia and Georgia improve, Sukhumi might be abandoned to its own devices or handed over to Tbilisi. Many in Sukhumi see a wider international recognition, however, as a way to build links with other states and so break dependency on Russia.¹¹¹

Even though Sukhumi has rejected federal arrangements within Georgia, it has expressed interest in an associate relationship with Russia after recognition of independence.¹¹² Abkhazia would implement a common foreign and defence policy, integrate its economy and have a shared currency and customs union with its neighbour, which would help guard the state borders.¹¹³ De facto foreign minister

Sergei Shamba has mentioned the Marshall Islands (a state in free association state with the U.S.) as an example.¹¹⁴ Abkhazia has begun to synchronise its legislation with Russian law and considers the distribution of Russian passports (and pensions) in Abkhazia as part of an associate relationship.¹¹⁵ The Russian constitution does not, however, provide for an associative status.

Russian recognition of Abkhazia, or acquiescence in an associative relationship, would do little to advance Abkhazia's broader international aspirations, its statehood or peaceful relations with Georgia. Rather, it would be guaranteed to lock Abkhazia into long-term dependence on Russia and increase the influence of Georgia's "hawks", who believe there is no alternative to a military solution. Georgia should continue pushing for a federal solution, fleshing out the maximum competencies it is ready to delegate. But it must do much more to convince the Abkhaz of the advantages of peaceful reunification. Meanwhile, if Abkhazia wants to boost its sovereignty aspirations, it must strengthen its commitments to refugee/IDP return, democratisation, minority rights and the rule of law and show the international community that it can be more than a Russian client state.

unless it was preceded at least by a lengthy process of international supervision and satisfaction of complex standards related to governance and protection of minority rights.

¹⁰⁸ Many Russian and Western analysts believe Moscow prefers maintaining the status quo as a thorn in Georgia's side. Others predict that if Georgia leaves the CIS, joins NATO, pushes out CIS peacekeepers or uses military forces in Abkhazia, Russia will unilaterally recognize Abkhazia. Crisis Group interviews, political analysts, Moscow, October 2006.

¹⁰⁹ De facto President Bagapsh has expressed this hope, "Sit with Us", talk show, Russian First Channel ORT, 16 November 2006.

¹¹⁰ De facto Foreign Minister Shamba in an article by Maya Butbaya, "The Abkhaz are expecting Putin's recognition", *Akhali Versiya*, 11 December 2006. See <http://www.pankisi.info/media/?page=ge&id=9497>&id=9497>.

¹¹¹ Crisis Group interviews, civil society representatives, Sukhumi, May and September 2006.

¹¹² Crisis Group interview, de facto Abkhazia minister of foreign affairs, Sukhumi, May 2006. The de facto authorities insist they have no interest in forfeiting independence for closer relations with Russia. See, for example, "Abkhaz Foreign Minister: We Will Get our Independence and not Reunification", *Regnum*, 5 June 2006.

¹¹³ See Liz Fuller, "How Does Abkhazia Envisage Its Future Relationship with Russia?", RFE/RL, *Caucasus Report*, vol. 4, no. 36, 29 October 2001. Abkhazia has been seeking "associate status" with the Russian Federation since 1999.

¹¹⁴ Crisis Group interview, de facto Abkhazia minister of foreign affairs, Sukhumi, May 2006.

¹¹⁵ "Abkhaz Leader Speaks of Relations with Moscow, Tbilisi," *Civil Georgia*, 17 August 2005; "Bagapsh: Russia - Abkhazia's most important economic partner", *Regnum*, 15 February 2006.

IV. SECURITY

The conflict zone has generally been stable. Apart from brief flare-ups in 1998, 2001 and 2006, there have been few serious ceasefire violations. Separation of forces and demilitarisation along a strip of land 85 km. long and 24 km. wide was completed over a decade ago. The territory is divided into an inner “security zone” (in which no Georgian or Abkhaz military presence is permitted) and an outer “restricted zone” (where no heavy weapons may be deployed); CIS peacekeepers and UNOMIG monitor.¹¹⁶ Negotiations on security issues have generally been unhindered, even when the Coordinating Council has been frozen. Practical measures have been agreed, which have gradually diminished criminality.

Until recently the Georgians and Abkhaz lacked offensive capabilities. Since 2003, however, Tbilisi has nearly quadrupled its military budget,¹¹⁷ invested heavily in new hardware (including attack helicopters), opened a NATO-standard base in Senaki (45 km. from the Inguri River), established a mountain operations military training centre in Sachkhere, organised several multi-million dollar training exercises and issued belligerent statements. This has increased Abkhaz anxiety about a possible attack.¹¹⁸ The Abkhaz reaction, especially since mid-2006, has been to strengthen their own forces and engage in more training – often with Russian support.¹¹⁹ While Georgian-Abkhaz talks are frozen, this rise in military preparedness increases the risk a ceasefire violation could ignite a spiral of counter-attacks and resumption of full-fledged combat.¹²⁰

¹¹⁶ See map at Appendix A.

¹¹⁷ In 2004, \$97 million (8.9 per cent of all state income) was spent on the military. In 2005, the figure was \$208 million, up to 16 per cent of all state income. The 2006 military budget, initially \$221 million was raised to \$341 million in July. The defence ministry’s share of the 2007 state budget (passed on 29 December 2006) will be \$300 million.

¹¹⁸ As has renewal of U.S. support to the Georgian army, worth \$30 million, through the Sustainment and Stability Operations Program (SSOP), and Georgia’s “Intensive Dialogue” status with NATO.

¹¹⁹ Crisis Group interviews, Sukhumi, October 2006.

¹²⁰ This could have happened, for example, on 25 October 2006 when Georgian officials claimed three GRAD rockets were fired from the Abkhaz-controlled Tkvarcheli district against the Georgian interior minister’s visit to Azhara in the Kodori Valley. UNOMIG initially concluded “the rockets

To reduce the probability of such an outcome and promote security, the sides have for more than a decade discussed signing an agreement on non-resumption of hostilities. It would explicitly forbid the use of force and contain a renunciation of the threat or use of force against each other. The Abkhaz have been especially keen on such a document. In December 2005, the sides were again close but failed to sign.

A. PEACEKEEPING FORCES

1. CIS peacekeeping and UN monitoring

As noted above, the 1994 Moscow Agreement provided for a ceasefire, separation of forces and the deployment of CIS peacekeepers (CISPKF).¹²¹ These entirely Russian troops were deployed in the conflict zone in June 1994.¹²² Their mandate, as defined in the Moscow Agreement and approved by the CIS,¹²³ has been slightly modified on numerous occasions. It includes monitoring the security zone and restricted zone, facilitating safe and dignified return of displaced persons, assisting in social and economic rehabilitation of the conflict zone and providing security to the Inguri hydro-power plant (HPP).¹²⁴ Russia provides the funding and material/technical support.¹²⁵ The CIS heads of states regularly extended the mandate until 2003, when Presidents Putin and

could not have been launched from the Tkvarcheli district. They must have been launched from a location significantly closer to Azhara”. “United Nations Observer Mission in Georgia investigation into reports of rocket attack in Upper Kodori Valley”, UNOMIG press release, Tbilisi, 1 November 2006. Based on additional investigation, UNOMIG subsequently retracted this conclusion. “Report of the Secretary-General on the situation in Abkhazia, Georgia”, 11 January 2007, p. 6.

¹²¹ “Agreement on a Ceasefire and Separation of Forces”, signed in Moscow, 14 May 1994.

¹²² “Decision of the Council of the CIS Heads of State on Deployment of Collective Forces to Maintain Peace in the Conflict Zone of Georgian-Abkhaz Conflict”, 22 August 1994. Formally, any CIS member state can contribute to the operation, under Russian command, but only Russia has sent troops.

¹²³ *Ibid.*, 21 October 1994.

¹²⁴ For the full mandate see, “Decision of the Council of the CIS Heads of State on Specifying and Extension of the Mandate of Peacekeeping Operation in the Conflict Zone in Abkhazia, Republic of Georgia”, 26 May 1995.

¹²⁵ *Ibid.*, Article 4.

Shevardnadze agreed to continue the mission until one of the sides to the conflict requests withdrawal.¹²⁶

The sides held meetings under UN chairmanship between 2003 and 2005 on security guarantees, international implementation mechanisms and the resumption of patrolling in the Kodori valley by CIS peacekeepers and UNOMIG.¹²⁷ An April 2004 Geneva experts meeting, called by the UN and organised by the Geneva Centre for Security Policy, laid the groundwork for an agreement on non-resumption of hostilities, which was almost concluded in 2006 (see below). Separate working-level meetings on security matters discussed practical means to diffuse tensions in the conflict zone.¹²⁸

The sides agreed at the last of these, in January 2006, to nominate coordinators to work on crime prevention, criminal cases, exchange of operational information and evidence, a joint action plan and appointment of focal points for the mass media to provide verified information about the conflict zone.¹²⁹ Law enforcement cooperation in Gali and Zugdidi increased as a result, to the point where detainees were exchanged in early 2006.¹³⁰ The two sets of meetings were to be replaced by the Coordinating Council working group on security issues but it has not convened since the Kodori operation.

¹²⁶ “Final Statement on Meeting”, op. cit. The CIS heads of state endorsed the decision the same month. “Decision of the Council of the CIS Heads of State on Extension of the Mandate of Peacekeeping Operation in the Conflict Zone in Abkhazia, Republic of Georgia”, 22 March 2003.

¹²⁷ These meetings were held at foreign minister level from the two sides, with representatives of the Group of Friends and the OSCE, on 15 July 2003, 10 February 2004, 20 May 2004 and 4 August 2005. Monitoring in the Kodori valley had ceased after four UN observers on patrol and their interpreter were kidnapped in June 2003 and was not resumed until October 2006. UNOMIG and CIS peacekeepers carried out a second joint patrol on 13-16 December.

¹²⁸ These meetings, somewhat misleadingly labelled as “high-level”, were held in UNOMIG’s Gali Headquarters on 8 October 2003, 19 January 2004, 12 May 2005, and 24 January 2006 with the sides, CIS peacekeepers and UNOMIG in attendance. The 2005 gathering agreed to concrete measures to stop criminal activities, for example instructing law enforcement agencies to cooperate and exchange information, to detain and instigate cases against criminals in the zone. “Protocol Gali High-Level Meeting on Security Issues”, UNOMIG Press Release, 12 May 2005.

¹²⁹ Georgia nominated Gocha Mikautadze, the Abkhaz Ruslan Kishmaria as co-ordinators. “Protocol of the Gali High Level Meeting on Security Issues”, 24 January 2006.

¹³⁰ Crisis Group interview, prosecutor, Gali District, Gali town, June 2006.

Until the UN-led negotiations stalled, two additional, non-political mechanisms – the weekly Quadripartite meetings (QPM) and the Joint Fact-Finding Group (JFFG) – gave people from both sides of the ceasefire line opportunities to work together.¹³¹ The former allowed Abkhaz and Georgian security and law enforcement officials to meet under UNOMIG and CIS peacekeeper co-chairmanship to consider practical, daily concerns, including security incidents and matters affecting the local population in the conflict zone. The JFFG, which has the same members, examined possible violations of the 1994 Moscow Agreement on the ceasefire and separation of forces, together with other violent incidents against the local population in the conflict zone. The QPM has not met since November 2006¹³² but the JFFG finally reconvened on 9 January 2007.

2. Georgian proposals for reform

Since late 2005, Georgia has called for the CIS peacekeepers to be further internationalised or replaced by an international police force. On 17 July 2006, the parliament passed a resolution calling on the government to “start procedures ... immediately to suspend the so-called peacekeeping operations in Abkhazia [and South Ossetia, which] represent one of the major obstacles on the way to solve these conflicts peacefully”.¹³³ In his September 2006 address to the UN General Assembly, President Saakashvili argued that “Russian-dominated forces on the ground have served to perpetuate rather than resolve the conflicts ... they have abused and made a farce of the time-honoured principles of neutrality, impartiality and

¹³¹ These meetings, were held in Chuburkhi village of Gali region.

¹³² The Abkhaz boycotted meetings after the July 2006 Kodori operation, and the Georgians have not appointed a coordinator since November. Abkhaz de facto Minister of Foreign Affairs Shamba expressed interest in resuming the meetings in January 2007. See Shamba interview in *Apsny Press*, 9 January 2007.

¹³³ Resolution of the Georgian parliament, “Peacekeeping Forces Stationed in the Conflict Zones”, unofficial translation, *Civil Georgia*, 17 July 2006. An August government non-paper, “Basic Principles for Resolution of Conflicts on the Territory of Georgia” stated: “Russian-led peacekeeping operations failed to solve any of the persisting problems. They represent an immediate obstacle to achieving political settlement of the conflicts. The Georgian population resident in the conflict zones is subject to constant terror while their human rights are grossly violated with tacit consent or direct involvement of Russian peacekeepers”.

trust”.¹³⁴ Neither he nor the parliament, however, set a date for withdrawal.¹³⁵

As noted above, the CIS peacekeeping mandate in the conflict zone will be terminated if one side in the conflict asks, though it is unclear what the precise procedure might be. Tbilisi is trying to overcome any legal barriers and put political pressure on the CIS forces to leave. Labelling Russia an “occupier” is one such step.¹³⁶ UNOMIG would inevitably be affected by any CIS pull-out, as its mandate is to observe the peacekeeping operation. UNOMIG also does not have sufficient rules of engagement, staffing and equipment to remain in the conflict zone should the peacekeepers leave.¹³⁷

Finding a replacement for Russian peacekeepers, or adding other CIS countries to the existing mission would be difficult, requiring substantial financial, logistical and human commitments. Although there has been speculation that Ukraine and perhaps the Baltic States could participate in a substitute operation, the Abkhaz would not accept them.¹³⁸ The EU is not eager to provide peacekeepers or a substantial police force in the short term.¹³⁹

Georgia does not seem to have calculated how it – or anybody else – would deal with the security vacuum a sudden CIS withdrawal would cause. The Abkhaz adamantly oppose such a withdrawal since they see the peacekeepers as their main security guarantor.¹⁴⁰ Sukhumi has already stated that if they leave, it will send its own forces into the security zone up to the

Inguri River.¹⁴¹ Georgia has done nothing to address Abkhaz security fears.

Russia has shown little inclination to exit Abkhazia. It denies Georgia’s charge that the peacekeepers are ineffective, pointing out that 112 have died on duty since June 1994.¹⁴² The Russian defence minister has described them as “the principal restraining force in the region”.¹⁴³ In response to Saakashvili’s UN speech, the foreign minister stressed “Russian peacekeepers are fulfilling their duty honestly and effectively”.¹⁴⁴

Even if the CIS mandate is abolished, Russian troops may try to stay. In July 2006, Foreign Minister Lavrov said Russia was ready to protect its “citizens anywhere”.¹⁴⁵ The same month, the Duma authorised troops to defend Russian citizens worldwide. The deputy foreign minister explained: “The majority of South Ossetian residents are Russian citizens, and for us there is no choice but to protect their right, together with regional stability”.¹⁴⁶ The same presumably applies for Russian passport holders in Abkhazia. The minister of defense added: “Russian soldiers are prepared to assist peacekeeping forces in Abkhazia”.¹⁴⁷ Tbilisi would likely view Russian soldiers staying on after the CIS mandate ended as tantamount to an act of war.

Thus, the stakes are high. Georgia appears to have realised that its Western partners would likely regard a withdrawal ultimatum as provocative. Any Russian move to retain troops in Abkhazia indefinitely would also be heavily criticised. Ultimately, Georgia and Russia would be left facing each other, with only a weak Abkhaz force between them.

¹³⁴ President Saakashvili, UN Address, op. cit.

¹³⁵ The Georgian ambassador to the UN told Crisis Group immediate withdrawal of the CIS peacekeepers will not be demanded, Crisis Group interview, New York, December 2006.

¹³⁶ Crisis Group interview, Georgian ambassador to the UN, New York, October 2006.

¹³⁷ UNOMIG’s mandate must be extended periodically by the Security Council. A veto by one permanent member would be sufficient to end the mission. In January 2006, the mandate was extended for only two months, rather than the usual six, due to disagreements in the Council (Resolution 1656), which returned to its practice of semi-annual renewal only at the end of March (Resolution 1666).

¹³⁸ Crisis Group interview, de facto president of Abkhazia, Sukhumi, September 2006.

¹³⁹ Solana in Lobjakas, “Georgia: Solana Fears Kosovo ‘Precedent’”, op. cit.

¹⁴⁰ They say they do not trust other international troops to guarantee their security because they have helped arm or train Georgia’s military in the past. Crisis Group interview, de facto president of Abkhazia, Sukhumi, September 2006.

¹⁴¹ Ibid.

¹⁴² “Today the CIS [peacekeepers] in the zone of the Georgian-Abkhaz conflict are celebrating their 12th anniversary”, *Apsny Press*, 21 June 2006 (in Russian).

¹⁴³ Sergei Ivanov, 14 June 2006 statement, quoted in Sergei Blagov, “Georgia: Putin to Tbilisi – Our Peacekeepers are Staying Put”, *EurasiaNet*, 27 June 2006; also “Russian MFA Slams Georgia, Defends Peacekeeping Operation”, *Civil Georgia*, 14 September 2006

¹⁴⁴ Interview with Sergei Lavrov, Russian news agency RIA, BBC Monitoring, 22 September 2006.

¹⁴⁵ Interview with Sergei Lavrov, radio channel Echo Moscow, 20 July 2006. See <http://www.echo.msk.ru/interview/44947/index.phtml>.

¹⁴⁶ Interview with Karasin, *Vremya Novosti*, 7 February 2006.

¹⁴⁷ Interview with Sergei Ivanov, Russian TV Channel ORT, 7 February 2006.

B. AGREEMENT ON NON-RESUMPTION OF HOSTILITIES

Georgia has said “as soon as the current peacekeeping forces are withdrawn, we are ready to sign a comprehensive document on the non-use of force with our Abkhaz ... compatriots”.¹⁴⁸ Although the 1994 Moscow Agreement provides for the ceasefire and separation of forces, the sides have long been negotiating an agreement on non-resumption of violence and security guarantees. In 1998¹⁴⁹ and 2005, they were close to signing but did not due to disagreement on who would guarantee it. The precondition of a CIS withdrawal is new and has increased Abkhaz suspicions.¹⁵⁰ Previously, Tbilisi had made a link to refugee and IDP return.

At the end of 2005 it was expected that President Saakashvili and de facto President Bagapsh would meet to conclude agreements on non-use of force and return of refugees/IDPs in early 2006.¹⁵¹ Georgia's former state minister for conflict resolution, Khaindrava, and de facto Foreign Minister Shamba signed a protocol in Sukhumi in the presence of SRSNG Tagliavini on 6 December 2005 stating their readiness “to present [the agreements] to their higher authorities for final approval and signature”.¹⁵²

According to the first document, the sides would relinquish their right to “use or threaten the use of

violence and reiterate their commitment to non-resumption of hostilities, despite all the existing disagreements”, while emphasising that in the search for a comprehensive conflict resolution, they would “not take illegal actions against civilians and returnees in the conflict zone” and would do everything to facilitate confidence-building. In case of a threat to security, the sides could “address the SRSNG to take adequate measures for prevention of the military conflict”. If such a conflict developed, the CIS peacekeepers would “take immediate measures to separate the military formations of the conflicting sides in accordance with the separation line as defined by the 14 May 1994 Moscow Agreement”.¹⁵³ Tbilisi rejected this clause in December 2005. In subsequent talks, before the July 2006 Kodori events permanently froze matters, negotiators sparred over whether the peacekeepers would be the agreement's main guarantor.

The second document would have confirmed the right of all refugees and IDPs to “voluntary, unrestricted, secure and dignified return in accordance with all the previously endorsed agreements”. Organised return to Gali was to start in 2006 and the sides were to ask the UN (particularly UNHCR) to provide expert assistance and UNOMIG to work with the peacekeepers to ensure secure and dignified returns.¹⁵⁴ But this document failed when the stalemate on the other developed.

C. THE KODORI VALLEY

The operation Georgia launched on 25 July 2006 in the Kodori valley has alternatively been called an “anti-criminal operation”¹⁵⁵ and a “large-scale special operation ... under the direction of the ministers of internal affairs and defence”.¹⁵⁶ According to Tbilisi, it aimed to disarm and arrest Emzar Kvitsiani, former presidential special representative and commander of the local militia, Monadire,¹⁵⁷ and his supporters, who

¹⁴⁸ “Basic Principles”, non-paper, op. cit.

¹⁴⁹ The 1998 non-resumption of conflict agreement draft spelled out the commitment to non-violence and indicated that any disagreements would be resolved “with the facilitation of the UN, OSCE, CIS and Russian Federation”, who would also serve as guarantors. It obliged the sides to prevent illegal actions against Gali returnees and disband armed militia and paramilitaries. In case of non-compliance, the SRSNG or Russia was to ask the Security Council for redress. “Draft Agreement on Peace and Guarantees of Non-resumption of Hostilities”, unsigned, 30 June 1998.

¹⁵⁰ The Russian foreign minister said: “The fact that the Georgian government constantly refuses to sign agreements that force will not be used against Abkhazia ... considerably increases our anxiety”, excerpt from report by Russian news agency RIA, BBC Monitoring, 22 September 2006.

¹⁵¹ The working title of the draft agreement on non-resumption of hostilities was “Declaration of the Georgian and Abkhaz Sides”; the document on return of refugees and IDPs was called the “Letter of Intent.”

¹⁵² Protocol, signed in Sukhumi, 6 December 2005. The agreement on non-resumption of hostilities was titled the “Declaration of the Georgian and Abkhaz Sides”; the document on return of refugees and IDPs was called a “Letter of Intention”.

¹⁵³ “Declaration of the Georgian and Abkhaz Sides”, draft, 5 December 2005.

¹⁵⁴ “Letter of Intent”, draft, 5 December 2005.

¹⁵⁵ Letter dated 13 September 2006 from the Permanent Representative of Georgia to the UN, addressed to the president of the Security Council.

¹⁵⁶ “Report of the Secretary-General on the situation in Abkhazia, Georgia”, 28 September 2006, p. 2.

¹⁵⁷ For more on Georgia's efforts to disarm militia like the Monadire see Crisis Group Report, *Abkhazia Today*, op. cit., pp. 20-21. Who was behind Kvitsiani is a topic of wide speculation in Tbilisi and Sukhumi alike. Russia, Abkhazia and Georgia all arguably had interests to create the problem.

threatened constitutional order and state security.¹⁵⁸ According to Sukhumi, it was a serious violation of existing agreements¹⁵⁹ and a threat to its security, justifying its withdrawal from all official negotiations.¹⁶⁰

The actual intentions are less important than the consequences: an undermining of the security environment and a freeze on negotiations. In his September 2006 report, the UN Secretary-General confirmed thirteen Georgian violations of the 1994 Moscow Agreement due to the “introduction of troops, military vehicles and aircraft into the security zone”.¹⁶¹ When pressed, Defence Minister Okruashvili said army units “only provided logistical assistance” to the police¹⁶² but other officials were more candid. Givi Targamadze, chairman of the parliamentary committee for defence and security, stated: “This is a strategic territory, from where a helicopter flight to Sukhumi takes only five minutes”.¹⁶³ Abkhaz security was tightened for fear the Georgians would launch a two-pronged attack on Sukhumi across the Inguri River into Gali and down from the Kodori valley.¹⁶⁴

However, Georgia’s offensive from Kodori may turn out to be political rather than military. On 27 July 2006, Saakashvili announced relocation of the Abkhaz government in exile from Tbilisi to Upper Kodori,¹⁶⁵ evidently part of an effort to undermine the

legitimacy of de facto President Bagapsh’s government.¹⁶⁶ When he inaugurated its new headquarters, Saakashvili stated: “This is Zemo [Upper] Abkhazia ... which is more than one third of Abkhazia’s entire territory and where Georgian sovereignty is enforced...we will come back to our homes very soon, we will come back from every direction”.¹⁶⁷ He also highlighted a rehabilitation program in the region, pledging to reconstruct the rest of Abkhazia as effectively.

Kodori is likely to be quiet during winter¹⁶⁸ but there are concerns about what will happen after that. Local and international observers alike worry that Tbilisi may attempt a “South Ossetian scenario”¹⁶⁹ in Abkhazia by organising parallel elections when Abkhaz local and parliamentary elections are planned on 11 February and 4 March respectively.¹⁷⁰ Tbilisi could try to elect parallel Gali city administration and village councils¹⁷¹ and might also organise polls for over 200,000 IDPs from Abkhazia, who have no parliamentary representation.¹⁷² Parallel elections

more on the Abkhaz government in exile, see Crisis Group Report, *Abkhazia Today*, op. cit., pp. 21-22.

¹⁶⁶ Georgia says the “legitimate Government of Abkhazia – the Government of the people who were forced out of Abkhazia – will function in Upper Abkhazia supporting the local population in sustaining stability and implementing various projects aimed at rehabilitation of the areas.... [When referring] to the Abkhaz separatist government as one elected ‘by [the] people’, I would like to stress that those ‘elections’ were conducted with the participation of a very small part of the population of Abkhazia”. Letter of 13 September 2006 from the Permanent Representative of Georgia, op. cit.

¹⁶⁷ Full Text of President Saakashvili’s speech in Kodori, *Civil Georgia*, 28 September 2006. Saakashvili has also announced intentions to open a camp for 1,000 “patriot” youth in Kodori in summer 2007. “Georgian leader announces plans to open youth camp in Abkhazia’s Kodori Gorge”, BBC Monitoring, 17 September 2006.

¹⁶⁸ Kodori can be reached only by air for seven months of the year, due to altitude (3,984 metres), snow and lack of paved-roads. The Georgian government is investing heavily in infrastructure to increase accessibility.

¹⁶⁹ On 12 November 2006, two sets of elections were held on South Ossetian territory, one controlled by the de facto authorities, one by a Tbilisi-backed “Salvation Committee”. Two “presidents” were elected in an effort by Georgia to question the legitimacy of the de facto authorities. Tbilisi has subsequently encouraged international and other contacts with its preferred president.

¹⁷⁰ Abkhaz local self-government elections are scheduled for 11 February 2007.

¹⁷¹ Tbilisi-organized, local self-government elections were held in Kodori on 5 October 2006.

¹⁷² Neither in the Georgian nor Abkhaz parliaments. Until late 2004 Abkhazia and the IDP community were represented in

¹⁵⁸ Letter of 13 September 2006 from the Permanent Representative of Georgia, op. cit.

¹⁵⁹ Crisis Group interview, de facto president of Abkhazia, Sukhumi, September 2006. See also “Abkhaz side assesses Tbilisi’s intention to move the so-called Abkhaz government-in-exile to Kodori as a step towards escalation of the conflict”, *Apsny Press*, 28 July 2006.

¹⁶⁰ Sukhumi refuses any official negotiations until all forces are withdrawn from the valley, together with the Abkhaz government in exile. Crisis Group interview, de facto president of Abkhazia, Sukhumi, September 2006.

¹⁶¹ The Abkhaz side was said to have committed two violations during the same period. “Report of the Secretary-General”, 28 September 2006, op. cit., p. 3. Estimates on the troops sent into the valley range from 500 to 800. “Conflicting Reports Prevail over Ongoing Kodori Operation”, *Civil Georgia*, 26 July 2006.

¹⁶² “Okruashvili: Kodori Monitoring Possible After Gudauta Base Inspection”, *Civil Georgia*, 31 July 2006.

¹⁶³ “Most of Kodori Under Control as Rebels Remain Besieged”, *Civil Georgia*, 26 July 2006.

¹⁶⁴ Crisis Group interviews, Sukhumi, September 2006. The Abkhaz held military exercises in late September in parts of Kodori under their control, thus heightening the risk of escalation.

¹⁶⁵ Georgia calls this body the “legitimate Government of Abkhazia” and the Kodori Valley “Upper Abkhazia”. For

would be an opportunity for Tbilisi to de-legitimise Sukhumi authorities and boost its claims that Abkhazia's legitimate elected representatives are based in Kodori.

Sukhumi's reaction would likely be harsh. Especially in Gali, alternative elections would put some 45,000 returnees under tremendous political and possibly physical pressure. Returnees have voted in previous Sukhumi-run elections and are partly credited for Bagapsh's 2004 victory. Forcing them to choose between loyalty to Tbilisi and Sukhumi would substantially increase their vulnerability without bringing them concrete benefit. They would again have been used as pawns in a power game they could do little to influence.

The Security Council urged "the Georgian side to ensure that the situation in the upper Kodori valley is in line with the Moscow agreement and that no unauthorised troops" are present but did not call for withdrawal of the government in exile or directly address alternative elections.¹⁷³ A U.S. "explanation of vote" left the door open for what would be a very dangerous operation in Gali in 2007: "The U.S. views the Georgian law enforcement action in the Kodori valley as the exercise of the Georgian Government's sovereign rights and obligation to administer to the needs of its citizens in all regions of Georgia".¹⁷⁴

the Georgian parliament by eight parliamentarians elected in 1992. Article 127 of the 2001 election code allowed them to stay in office "until the jurisdiction of Georgia is fully restored in Abkhazia, and necessary conditions are established for elections of Members of the Parliament of Georgia". This article was abolished in September 2004, and the seats vacated. Tbilisi may attempt to fill them by holding at the same time as Sukhumi.

¹⁷³ Resolution 1716 (2006) urged Georgia "to address seriously legitimate Abkhaz security concerns, to avoid steps that can be seen as threatening".

¹⁷⁴ Ambassador John R. Bolton, explanation of vote on Resolution 1716. See www.state.gov/p/io/rls/rm/74001.htm.

V. REFUGEES AND IDPS

For Georgia, the most important conflict resolution task after status is the return of IDPs and refugees to Abkhazia.¹⁷⁵ Most IDPs seem committed to return to their pre-war homes. They are among Georgia's poorest and most vulnerable, with inadequate access to housing, land, jobs, social services and healthcare. Until recently the government did little to help with integration but in December 2006 it presented a draft national strategy for IDPs, which it pledged to carry out with an accompanying action plan. The latter acknowledges that IDP integration should be assisted without prejudice to the right of return. However, IDPs in general continue to be poorly represented in governmental bodies, political parties, the media and NGOs.¹⁷⁶

The right to return is protected by international law.¹⁷⁷ Even though Abkhazia is not an internationally recognised state, it is obliged to protect the rights of refugees, IDPs and returnees.¹⁷⁸ The Security Council's biannual resolutions regularly urge "the Abkhaz leadership to address seriously the need for dignified return of IDPs and refugees, including their security and human rights concerns".¹⁷⁹

The numbers of the displaced are disputed. The 1989 Soviet census put the ethnic Georgian population of

¹⁷⁵ Georgian authorities state – backed by OSCE declarations – that displacement resulted from ethnic cleansing. Declarations from OSCE summits, Budapest (1 December 1993), Lisbon (1 December 1996), and Istanbul (19 November 1999).

¹⁷⁶ For more on Georgia's IDP challenge see Crisis Group Report, *Abkhazia Today*, op. cit.

¹⁷⁷ The Universal Declaration of Human Rights, Article 13 (2); International Covenant on Civil and Political Rights, Article 12 (4); International Covenant on the Elimination of All Forms of Racial Discrimination, Article 5 (d) (ii); "Voluntary Repatriation: International Protection Handbook", UNHCR, Geneva, 1996; "Guiding Principles on Internal Displacement", UN High Commissioner for Human Rights (UNHCHR), Guiding Principle 28. See <http://www.unhcr.ch/html/menu2/7/b/principles.htm>.

¹⁷⁸ "Guiding Principles on Internal Displacement", op. cit.; also "Report of the Representative of the Secretary-General on the Human Rights of Internally Displaced Persons, Walter Kalin, Mission to Georgia 21-24 December 2005", UN Economic and Social Council, Commission on Human Rights, 62nd session, E/CN.4/2006/71/Add.7, 24 March 2006, p. 5.

¹⁷⁹ Most recently, Resolution 1716, 13 October 2006.

Abkhazia at 239,872.¹⁸⁰ Almost all were forced to leave in 1993. In 2005, the Georgian ministry of refugees and accommodation, with UNHCR support, registered 209,013 displaced from Abkhazia, which includes some of the approximately 45,000 Gali returnees who wish to maintain their IDP status and the meagre benefits it provides.¹⁸¹ Ministry staff no longer stands by the 2005 figures and say the real number is 247,612.¹⁸² Abkhaz call this inflated and say there are no more than 160,000 displaced from Abkhazia currently in Georgia.¹⁸³

As early as 1993, the two sides signed a memorandum of understanding stating they “consider it their duty to find an urgent solution to the problem of refugees and displaced persons” and “undertake to create conditions for ... return ... in all regions of Abkhazia”.¹⁸⁴ They reaffirmed this in 1994 when they signed, with Russia and the UNHCR, an “Agreement on Voluntary Return of Refugees and Displaced Persons” and established a quadripartite commission to implement return, assess damage and start repatriation in the Gali region.¹⁸⁵ This worked for only a year.¹⁸⁶ In 1994 international organisations supporting the process issued a statement on obstacles to more large-scale return.¹⁸⁷ Many of these, as discussed below, remain today.

¹⁸⁰ The ethnic Abkhaz population was 93,267, ethnic Armenian 76,541, and ethnic Russian 74,914, with 40,467 others. “Ethnic composition of Georgia’s population. Statistical Data Collection”, Tbilisi, 1991, pp. 4-5.

¹⁸¹ Kalin report, op. cit., p. 6.

¹⁸² Crisis Group interview, department head, ministry of refugee and accommodation, Tbilisi, June 2006. In its public statements, the government frequently talks about 300,000 IDPs in Georgia.

¹⁸³ Crisis Group communication, civil society representative, Sukhumi, January 2007.

¹⁸⁴ Para. 4, signed at negotiations in Geneva from 30 November-1 December, 1993, with representatives of the UN, Russia and the Conference on Security and Cooperation in Europe (CSCE) present.

¹⁸⁵ Quadripartite Agreement on Voluntary Return of Refugees and Displaced Persons (Georgian and Abkhaz sides, Russia and UNHCR), 4 April 1994, paras. 4-5.

¹⁸⁶ UNHCR called for repatriation of a minimum of 3,000 per month and completion of return to Gali by October 1995 but the commission was able to secure the organised return of only 311 persons. Repatriation came to a virtual halt in December 1994. Comments by UNHCR on the statement by the UN, OSCE, and Russia on “The Question of Refugees and Displaced Persons”, Georgia/Abkhazia Proximity Talks, 14-18 November, 1994, para. 2.

¹⁸⁷ “Statement on the Question of Refugees and Displaced Persons”, issued by the UN, OSCE, and Russia, Geneva, 18

A. RETURN TO GALI

Return to Gali is the one conflict resolution area where there has been progress over the years. The sides agreed early on that IDP return would be implemented there first.¹⁸⁸ While return began in 1994,¹⁸⁹ new violence in May 1998 forced 30,000 to 40,000 to flee a second time.¹⁹⁰ At the end of 1998 then de facto President Ardzinba announced he would unilaterally implement return to the region.¹⁹¹ Families soon came back, initially many commuting daily across the ceasefire line or migrating seasonally to tend fields. Today the district has an estimated population of 45,000 ethnic Georgians.¹⁹²

Tbilisi accuses the de facto authorities of failing to create a secure environment for these returnees.¹⁹³ Officials describe their “existence as characterised by

November 1994. See also Comments by UNHCR, op. cit. The Security Council blamed the Abkhaz for the “continued obstruction of such return”, Resolutions 993 (1995) and 1036 (1996). The Abkhaz said they would not agree to a speedier return without progress on political issues. “Report of the Secretary-General”, 6 March 1995, op. cit., p.1, para. 3.

¹⁸⁸ Quadripartite Agreement on Voluntary Return of Refugees and Displaced Persons (Georgian and Abkhaz sides, Russia and UNHCR), 4 April 1994, para. 5.

¹⁸⁹ An estimated 20,000 had already spontaneously returned by the end of 1994, statement on “The Question of Refugees and Displaced Persons”, Georgia/Abkhazia Proximity Talks, 14-18 November, 1994, by the UN, OSCE and Russia.

¹⁹⁰ It also destroyed infrastructure and some 1,500 homes, including some recently rehabilitated with donor funding. It is generally believed that in May 1998 illegal Georgian armed formations staged attacks in the Gali district. In response the Abkhaz militia drove out not only the attackers but also the returnees. Homes and infrastructure were deliberately looted and burned, “Report of the Joint Assessment Mission to the Gali District”, 20-24 November 2000, UN, pp. 5, 13.

¹⁹¹ He also announced creation of a presidential commission to address refugee return and administration of the Gali region, letter from the de facto President of the Republic of Abkhazia Ardzinba, to the UN Secretary-General, 15 December 1998. This came after the sides failed in 1998 to agree on key documents on security guarantees and refugee return to the Gali region.

¹⁹² These are the figures usually quoted by UNHCR and referred to by the head of the Gali district administration. The exact figure is difficult to determine, as many IDPs shuttle between the Gali district and Georgia proper to take advantage of IDP allowances and other social services provided by the Georgian state.

¹⁹³ Malkhaz Akishbaia, head of the government of the Autonomous Republic of Abkhazia, Georgia, press conference, New York, 13 October 2006.

fear and regular abuse of basic human rights".¹⁹⁴ The de facto authorities reject this as an attempt to challenge their government's ability to provide security on territory it controls. Guaranteeing returnees' security and strengthening rule of law in the region has proven difficult in the past. Georgian and Abkhaz armed groups have threatened, robbed and killed returnees. But until very recently, there was significant improvement, which international and local observers attributed to better cooperation between Georgian and Abkhaz law enforcement agencies and more police capability.¹⁹⁵ As noted above, mechanisms established in the UN-led meetings on security issues also improved anti-crime cooperation.

Nevertheless, the situation remains fragile, especially now that many of the UN-led security mechanisms no longer function.¹⁹⁶ There has been a rash of killings in the last few weeks. The Gali district deputy police chief, Otar Turnanba, previously a renowned local criminal boss, was killed by a land mine on 25 December 2006. A local police official accompanying him also died.¹⁹⁷ The next day Alik Khishba, a village police chief, was murdered.¹⁹⁸ On 5 January a Georgian policeman at a checkpoint on the Inguri River was killed.¹⁹⁹ The Georgians and Abkhaz

blamed each other for the incidents. Whether they were due to internal power struggles between local criminal groups, in retaliation for recent police operations or part of a broader political game is not known.²⁰⁰ Positively, the JFFG reconvened, with Georgian and Abkhaz participants, to investigate.

Georgia does not trust the Abkhaz to count the returnees to the Gali region.²⁰¹ In 2004-2005 both sides asked for UNHCR assistance to verify numbers.²⁰² UNHCR was first to start in October 2005, then after a Georgian request for postponement²⁰³ in spring 2006. Belgium made funding available but Georgia balked again. Finally, at the July 2006 Coordination Council Working Group meeting on refugees and IDPs, it made the opening in Gali of a sub-office of the UN Human Rights Office in Abkhazia (UNHROAG) and the deployment of UN civil police preconditions to the exercise. In reality, it is probably most concerned about how Abkhazia (or Russia) may capitalise on proof of high numbers. UNHCR points out that verification is needed to end disputes over returnee numbers and indeed "could have been a key element of the return and confidence-building process" and enabled donors to determine needs more systematically. In the absence of full agreement by both sides, however, UNHCR has been unable to proceed.²⁰⁴

¹⁹⁴ Zurab Nogaideli, prime minister of Georgia, remarks, OSCE Permanent Council, Vienna, 27 October 2006.

¹⁹⁵ Crisis Group interviews, local NGO representatives, Gali, June 2006; international monitors, Sukhumi, July 2006; prosecutor, Gali District, Gali town, June 2006. The 11 January 2007 report of the Secretary-General cites two killings, thirteen shootings, and nineteen robberies in 2006, compared with eight killings, seventeen shootings, 27 robberies and six abductions during the same reporting period in 2005. "Report of the Secretary-General on the situation in Abkhazia, Georgia", 11 January 2007, p. 2. Georgia denies any improvement, claiming "on a daily basis we witness severe violations of fundamental rights and direct threats to the lives of spontaneously returned population", Irakli Alasania, special representative of the President of Georgia, statement to the Security Council, New York, 26 January 2006.

¹⁹⁶ In addition to the killings described in the paragraph below, Abkhaz militia carried out several raids in the Gali district in November 2006, detaining residents and in some cases forcefully conscripting them. On 8 December, following the arrest in Zugdidi of the de facto administrator of a village in the lower Gali district, the Gali administration closed the Inguri bridge and other crossing points. On 28-30 December, the Abkhaz militia briefly detained 66 lower Gali district residents. "Report of the Secretary-General", 11 January 2007, op. cit., p. 3.

¹⁹⁷ A third policeman remains hospitalised.

¹⁹⁸ An officer who was with him at the time is missing.

¹⁹⁹ A second was injured.

²⁰⁰ The UN SRSG condemned the incidents in separate press releases. See http://www.unomig.org/media/press_releases/.

²⁰¹ Counting has been a problem since 1994 when the sides called for registration of spontaneous returnees. UNHCR said it could organise registration of spontaneous returnees to Gali city on a voluntary basis in 30 days, subject to the agreement of the parties.

²⁰² At the Sochi working group on the return of refugees and IDPs in Moscow (April 2004) and Sochi (July), and the fourth meeting on security guarantees (August 2005). Within the Sochi working group, on 15-16 June 2005, the sides supported the questionnaire and verification plan, as well as UNHCR's "Paper on Strategic Directions for Activities in Confidence Building in the Context of Returns". They endorsed the UNHCR approach and planned two-year activities and discussed modalities of registration on 6-7 October 2005.

²⁰³ By October 2005, UNHCR had completed all necessary preparations, including drafting a detailed questionnaire for returnees approved by the sides. "Everything was agreed, everything was fine, we almost had people in planes coming here", the UNHCR representative explained to Crisis Group, Tbilisi, November 2006.

²⁰⁴ Crisis Group interview, UNHCR representative, Tbilisi, November 2006. During his August 2006 visit to Georgia, High Commissioner Guterres, reiterated hope that obstacles

There have been proposals since 1998 to start a Community Police Training Program,²⁰⁵ defined as a civilian police mission on both sides of the Inguri River. The Georgians would like “Georgian and Abkhaz law enforcement structures [to]... play a considerable role in the organisation of internationally-supervised secure and dignified return”, starting with a joint action plan developed with UN civilian police facilitation.²⁰⁶ Since 2003, ten UN police have been on the Georgian-controlled side of the conflict zone, mainly providing training, equipment and expertise.²⁰⁷ De facto Abkhaz authorities have opposed their deployment in Gali as undermining the authority of their own political and security structures.²⁰⁸

Some de facto authorities may be becoming more receptive to international police. In the past, a few key officials lobbied for an international police force²⁰⁹ but retreated under public criticism. A common Abkhaz fear is that international police would be the first step toward deployment of an international civil administration to Gali.²¹⁰ Another concern is that the police would replace the CIS peacekeepers. However, if the UN can convince the de facto authorities and public opinion that the mandate would be limited to training, provision of equipment and other aid to law enforcement, Sukhumi might reconsider. For this to happen, Tbilisi needs to stop politicising the issue by

would soon be overcome. “Report of the Secretary-General”, 28 September 2006. op. cit., p. 4.

²⁰⁵ “United Nations Needs Assessment Mission to Abkhazia, Georgia, March 1998”.

²⁰⁶ “Considerations of the Georgian side on defining the basic principles of the joint ‘road map’ for a comprehensive, peaceful political settlement of the conflict in Abkhazia”, unofficial translation, circular note, Ministry of Foreign Affairs, 2 June 2006.

²⁰⁷ Compared with UN police in other places, their mandate is extremely weak. They cannot detain criminals, for example.

²⁰⁸ All recent Security Council resolutions call on the Abkhaz to implement their commitments for deployment of UN police advisers. See, for example, Resolution 1716 (2006), para. 9.

²⁰⁹ Particularly de facto Foreign Minister Shamba. The Gali district prosecutor told Crisis Group it would depend on the mandate of the UN police; he would not oppose mainly technical support and training. Crisis Group interview, prosecutor, June 2006.

²¹⁰ According to this argument, deployment in Gali would undermine the authority of Abkhaz political and security structures, making it easier for Georgia to argue for the necessity of an international administration. Crisis Group interview, spokesperson, presidential administration, Sukhumi, May 2006; Crisis Group focus group discussion, local NGOs, Sukhumi, July 2006.

describing it as a first step to greater internationalisation of security operations in Gali.

The UN has recommended since 2000 opening a sub-office of its HROAG in Gali.²¹¹ While there is already such an office in Sukhumi, UN officials argue that a full-time field presence in Gali is essential for human rights monitoring and reporting.²¹² Tbilisi has promoted this to restore “fundamental rights of the evicted population ... including personal safety, freedom of movement, education in the mother tongue, protection of historic and cultural heritage, freedom of confession, etc”.²¹³ The de facto authorities have refused because they see the office as another attempt to undermine them.²¹⁴ They suggest instead that local human rights NGOs should be helped to open a human rights centre.²¹⁵ A compromise might be for the UN to support a local, NGO-run human rights resource centre, with a full-time UN human rights officer who would offer expertise and capacity building.

Another obstacle to greater return is access to Georgian-language education. According to Georgian authorities this is banned in Abkhazia²¹⁶ but ten fully-fledged Georgian schools do operate in lower Gali.²¹⁷

²¹¹ “Report of the Joint Assessment Mission to the Gali District. 20-24 November, 2000”, p. 23. The Human Rights Office in Abkhazia, Georgia (HROAG) was established in 1996 as an integral part of UNOMIG, mandated to protect the human rights of the population, promote the respect of human rights and contribute to safe and dignified IDP return.

²¹² Crisis Group interview, senior official, UNOMIG, Tbilisi, December 2006.

²¹³ “Considerations of the Georgian side”, op. cit.

²¹⁴ All recent Security Council resolutions call on the Abkhaz to implement their commitments concerning deployment of the office. See, for example, Resolution 1716 (2006), para. 9.

²¹⁵ Crisis Group, interview, de facto Abkhaz minister of foreign affairs, Sukhumi, September 2006; Crisis Group focus discussion, local NGOs, Sukhumi, July 2006; Crisis Group interviews, NGO activists, Gali town, June 2006.

²¹⁶ Shota Malashkvia, chairman, Parliamentary Commission on Territorial Integrity Issues, statement at a working meeting, 27 December 2005. See http://www.parliament.ge/print.php?gg=1&sec_id=633&info_id=8610&lang_id=GEO.

²¹⁷ They use the Georgian curriculum and Georgian textbooks, and teachers’ salaries are paid by the Georgian government. Crisis Group Report, *Abkhazia Today*, op. cit., p. 19. On 12 December 2006, President Saakashvili confirmed that the “authorities will spare no efforts to support teachers of Georgian schools in the Gali district”. This was after Georgian teachers in Gali complained Tbilisi had not paid their salaries (\$17.50 per month) for over a year. “Saakashvili pledges support to Georgian Teachers in Gali”, *Civil Georgia*, 12 December 2006.

Other schools in Upper Gali no longer officially teach in Georgian. Georgian-language education is clearly an area with potential for more cooperation.²¹⁸ The Abkhaz de facto minister of foreign affairs claims he offered to the Georgians to start a working group to prepare a common history textbook.²¹⁹ At the 11 July 2006 Coordinating Council working group on return, the Abkhaz also proposed a joint assessment of the needs of Gali schools.²²⁰ The sides did agree to invite their education experts to the next working group.²²¹ Such concrete steps – if they come to pass – could have important confidence-building effects.

Other than pressing for UN police and a human rights office, Georgia has done little to support spontaneous IDP return to Gali.²²² Some senior figures are categorically against return until Gali is under Tbilisi's control and have been critical of international help for returnees.²²³ However, the UNHCR has suggested that “in the absence of a full political settlement organised return is not foreseen. Future returns may best continue in the spontaneous mode”.²²⁴ It calls on the Georgian government to facilitate efforts by international organisations to meet returnees' basic humanitarian needs.²²⁵ The Abkhaz say Georgia is reluctant to assist because “Georgia

does not want any return of refugees until there is a resolution of the jurisdiction problem”.²²⁶

Gali returns have never received significant international aid. Prior to 1998, UNHCR and the International Committee of the Red Cross (ICRC) gave humanitarian help, including rebuilding homes and schools. UNHCR stopped after the May 1998 violence and only resumed significant programs in the region in 2004. In 2006, it and other internationals²²⁷ began implementing a program worth some \$5.6 million. A European Commission-funded project in Abkhazia includes a large Gali component. But the humanitarian and development needs are substantial. Fourteen years after the worst fighting, many homes and much infrastructure remain in ruins. The development community should do more but it also needs Tbilisi's support to move. According to the UNHCR, “allowing the humanitarian space is very important for all sides. Issues related to the well-being of returnees should be dealt with in a non-political manner. Efforts should be made not to politicise issues which have a humanitarian character”.²²⁸ Yet, this is all too frequent. Both sides should avoid politicisation so as to enable return in safety and dignity.

B. RETURN TO OTHER PARTS OF ABKHAZIA

While Abkhazia has been willing to accept return to Gali, its de facto authorities and public opinion are generally opposed to large-scale return elsewhere.²²⁹ Some claim to have started planning but say they cannot proceed until there is more cooperation from Georgia on Gali and more trust among the Abkhaz people.²³⁰ Georgia argues that Sukhumi's implementation of “the fundamental right to return is

²¹⁸ Georgia has experience receiving textbooks from Armenia and Azerbaijan and other aid for Armenian and Azerbaijani-language schools. See Crisis Group Europe Report N°178, *Georgia's Armenian and Azeri Minorities*, 22 November 2006.

²¹⁹ Crisis Group interview, de facto minister of foreign affairs of Abkhazia, Sukhumi, September 2006.

²²⁰ Crisis Group interview, international organisation representative, Tbilisi, November 2006.

²²¹ “Report of the Secretary-General”, 28 September 2006, op. cit., p. 2.

²²² Especially in the 1990s, it treated returnees as “traitors”.

²²³ Giorgi Kheviashvili, minister for refugees and accommodation, for example, stated: “Some international organisations are asking for our permission to rebuild destroyed areas [in Abkhazia]. If they don't let Georgians return home, money spent on reconstructing houses is a waste. Look how the separatist forces destroyed the reconstruction in Gali in 1998; they can do the same today”, in Eka Lomidze and Tea Topuria, “What should we do, those of us who are exiled from Abkhazia and now live in caves?”, *Kvirita Palitra*, 20-26 February 2006 (in Georgian).

²²⁴ “Strategic directions promoting confidence building measures for displaced and war-affected persons in Abkhazia”, UNHCR, 22 August 2005, p. 6.

²²⁵ Crisis Group interview, UNHCR representative, Tbilisi, November 2006.

²²⁶ Crisis Group interview, de facto minister of foreign affairs of Abkhazia, Sukhumi, September 2006.

²²⁷ In partnership with the Norwegian Refugee Council (NRC), the Danish Refugee Council (DRC) and the Swiss Agency for Development and Cooperation, it began to implement in 2006 a new program focused on the Gali district, including basic shelter repair, income generation, education/sanitation and an NGO support centre. The centre was temporarily closed by the Abkhaz.

²²⁸ Crisis Group interview, UNHCR representative, Tbilisi, November 2006.

²²⁹ Crisis Group interviews, Sukhumi, May and July 2006.

²³⁰ Crisis Group interview, de facto minister of foreign affairs of Abkhazia, Sukhumi, September 2006.

the main precondition for the future coexistence”.²³¹ The chicken and egg dilemma – whether return or confidence building should come first – is taken a step further by the Abkhaz, who often say that Georgia should first recognise their independent state.

Initiating large-scale return and re-establishing communities where Georgians and Abkhaz live side by side clearly poses challenges. Some Abkhaz claim Georgians cannot return because their safety could not be protected. Memories of wartime violence, especially in inter-ethnic conflicts, often impede return and resumption of multi-ethnic life. Amnesties should be given to all who fought but did not commit war crimes as defined in international law. The parties promised in the 1994 Quadripartite Agreement that this would be done for IDPs and refugees but it has not.²³² Local police should ensure the security of returnees, possibly in cooperation with international peacekeepers or civilian police. A long-term process of reconciliation and cooperation building based on a definition of common interests is likewise needed.

The Abkhaz are also reluctant to accept major returns because they fear becoming a minority again. “The Abkhaz are mainly afraid of a future demographic imbalance. They want there to be a large-scale, internationally-supported program to also assist the return of our repatriates”, the de facto foreign minister said.²³³ The Abkhaz say at least 700,000 ethnic Abkhaz descendants of the victims of forced displacements between 1867 and 1877²³⁴ live in Turkey, Syria, Jordan, Israel and Germany,²³⁵ have the same right to return to their homeland as any other refugees and want international help for

repatriation.²³⁶ Some international representatives are open to considering this but the issue has never been discussed seriously by the sides.²³⁷ For now, neither Georgia nor Russia has any real interest in encouraging this.

Abkhazia should, nevertheless, avoid any steps that could compromise future returns. A major problem for returnees is the guarantee of their property rights and restitution of their homes. In May 2006 the Abkhaz parliament instructed the courts to suspend all cases filed by owners who had abandoned their property since 1993 until a law regulating property rights is adopted.²³⁸ The UNHROAG has subsequently received five or six complaints monthly from individuals of various ethnic backgrounds.²³⁹ This suspension of judicial remedies is a deterrent to IDP and refugee return and reintegration, especially in areas beyond the Gali district.²⁴⁰

²³¹ Akishbaia, statement, op. cit.

²³² The agreement also noted that “such immunity shall not apply to persons who have previously taken part in the hostilities and are currently serving in armed formations, preparing to fight in Abkhazia”, Quadripartite Agreement, op. cit., para 3.

²³³ Crisis Group interview, de facto minister of foreign affairs of Abkhazia, Sukhumi, September 2006. Even today the Abkhaz have only a plurality in the entity. According to a 2003 Abkhaz census, 94,597 Abkhaz, 44,869 Armenians, 40,443 Georgians, 23,420 ethnic Russians and some 10,000 others live in Abkhazia.

²³⁴ After Russia revoked autonomy in 1864, the Abkhaz rebelled, resulting in repression and the flight of up to 70,000 to the Ottoman Empire, the *Mohajirstovo*.

²³⁵ Crisis Group interview, deputy head of the repatriation committee, Sukhumi, July 2006.

²³⁶ Conference discussion, “Abkhazia in the context of regional security and development”, Pitsunda, September 2006.

²³⁷ Crisis Group interview, representative of international organisation, Tbilisi, November 2006.

²³⁸ “Resolution of the National Assembly of the Republic of Abkhazia on Regulating the Housing Issues in order to Provide the Citizens of the Republic of Abkhazia with Housing”, April 2006.

²³⁹ Crisis Group interview, representative of international organisation, Sukhumi, January 2007.

²⁴⁰ “Report of the Secretary-General”, 11 January 2007, op. cit., p. 7. Another legal step taken by the Abkhaz which can create important difficulties and administrative hurdles for returnees is the October 2005 “Law of the Republic of Abkhazia on Citizenship of the Republic of Abkhazia”. See Kalin Report, op. cit., p. 15.

VI. ECONOMIC COOPERATION

Official economic cooperation between Georgia and Abkhazia has been extremely limited. During negotiations the Abkhaz are generally interested in discussing transportation and economic issues before addressing the more difficult problems of status and major IDP/refugee return. Tbilisi has often insisted on resolving these more sensitive issues first. Economic cooperation, before settlement of sovereignty and return, has been a powerful confidence-building tool in other post-conflict environments.²⁴¹ There are some areas of cooperation – the Inguri power plant and railroad – that can be built on to help overcome distrust and fear. Increased cooperation could also weaken Sukhumi's dependence on Russia. Presidents Putin and Shevardnadze gave the green light to this in 2003, when they agreed that "implementation of economic projects would be conducive to confidence building between the Georgian and Abkhaz sides, stabilisation of the situation and resumption of negotiation process aimed at comprehensive settlement of the conflict".²⁴²

From 1993 to 1998 donors gave Abkhazia little aid. In 1998 the Coordination Council requested an inter-agency assessment mission, which found "there are several economic areas where cooperation, if stepped up, can yield early and substantial mutual benefit, in the first instance in energy, transport and communications". Projects worth \$187 million were proposed.²⁴³ However, donors scaled plans back after the 1998 violence.²⁴⁴ Only in 2003-2004 did the UN and the European Commission conduct new fact-

finding missions in Abkhazia and Zugdidi (the Georgian district bordering the ceasefire line), which concluded that the security situation had improved sufficiently to resume work.²⁴⁵

The EU, the largest donor in Abkhazia, has spent approximately €25 million since 1997²⁴⁶ and has ongoing projects worth €5.2 million. In 2006, the Commission started an innovative, three-year, €1 million project to support rehabilitation and reconstruction in the conflict zone so as to create conditions for IDP and refugee return and reintegration.²⁴⁷ The first, €2 million, phase focused on rehabilitation of the electricity grid, hospital rehabilitation, water and sanitation, and agricultural development. This initial project in Abkhazia to strengthen local infrastructure, services and production was implemented by the UN Development Programme (UNDP) and UNOMIG in cooperation with district authorities and user groups.²⁴⁸ The second phase will fund civilian police activities, the Inguri shuttle bus,²⁴⁹ an information centre in Sukhumi²⁵⁰ and additional works on the Inguri power plant.²⁵¹

²⁴¹ For example, the UK, Spain, and Gibraltar agreed on a number of issues in September 2006 without settling the sovereignty question, including "the use of Gibraltar Airport, recognition of the Gibraltar direct dialling code, frontier fluidity and the payment of pensions to certain Spanish workers in Gibraltar". "Gibraltar: Diplomatic and constitutional developments", House of Commons Library Research Paper 06/48, 11 October 2006. For the complex Cyprus situation, see Crisis Group Europe Report N°171, *The Cyprus Stalemate: What Next*, 8 March 2006.

²⁴² Statement on meeting of Putin and Shevardnadze, op. cit.

²⁴³ "United Nations Needs Assessment Mission", op. cit.

²⁴⁴ From 1998 to 2004 international activities in Abkhazia were virtually suspended due to security concerns. An Abkhaz militia operation in May 1998, allegedly to rid the region of Georgian militias, led to the exodus of 30,000 to 40,000 ethnic Georgians who had recently returned and destruction of much of the donor rehabilitation and reconstruction work provided in their support.

²⁴⁵ Crisis Group interview, official, Commission delegation, Tbilisi, December 2005. See also "Report of UNDP-Led Feasibility Mission to Gali District and Adjacent Areas of Abkhazia Georgia", UNDP, Tbilisi, April 2004, at <http://www.undp.org.ge/news/feasibrepeng.pdf>. Since 1996 the UN Volunteers (UNV) is the only UN development agency to continue activities in Abkhazia uninterrupted.

²⁴⁶ The bulk – €9.4 million – was for rehabilitating the Inguri hydro-power Plant (see below). Between 2003-2006 it spent €7 million on humanitarian projects. Another €2 million was allocated in 2007 for humanitarian aid. See <http://www.delgeo.cec.eu.int/en/programmes/rehabilitation.html>.

²⁴⁷ It will be divided into two phases of €1.98 million each. The first started at the end of 2005; the second will start in the first half of 2007. "Abkhazia: Planned Projects", European Commission Delegation to Georgia, <http://www.delgeo.cec.eu.int/en/programmes/Abkhazia.htm#A1>.

²⁴⁸ Crisis Group interview, UNDP staff, Georgia, Tbilisi, October 2006.

²⁴⁹ Since February 2006 UNOMIG runs an hourly shuttle bus over the 800-meter Inguri River bridge, the only official access point between Georgia proper and Abkhazia.

²⁵⁰ UNDP established in 2006, on the premises of a Sukhumi NGO, an information centre to gather and make available reliable data and statistics on Georgian-Abkhaz developments. Its website is at: <http://www.abkhazdev.info/>.

²⁵¹ The second-phase still needs to be confirmed. Crisis Group interview, EC Delegation staff, Tbilisi, November 2006.

Georgia recently underlined the importance economic cooperation and development can have. According to its 2006 Road Map:

The Georgian side will appeal to the international community to support the implementation of projects for socio-economic rehabilitation of the Abkhaz region. The Georgian side is ready to consider possibilities for the establishment of special conditions for the development of the economy in Abkhazia. The involvement of the Georgian and Abkhaz populations in joint economic projects is the basis for peaceful coexistence and the improvement of well being.²⁵²

President Saakashvili has called for “more to be done to restore trust and improve living standards....we must rehabilitate the economies.”²⁵³

However, comprehensive support to economic development has yet to be provided. International organisations in Abkhazia have often preferred to provide humanitarian aid rather than support development. This began to change in 2006 as traditional aid providers scaled down.²⁵⁴ Others are revising their focus to income generation²⁵⁵ and infrastructure²⁵⁶ but the main developmental agencies in Georgia, including the World Bank, the International Monetary Fund (IMF), the Millennium Challenge Georgia Fund (MCGF) and the European Bank for Reconstruction and Development (EBRD), have only the Inguri project in Abkhazia. No large infrastructure projects other than the power plant have been undertaken.²⁵⁷

Sustainable economic development would require Georgia to consent to “legalise” parts of the Abkhazian economy outside its control. For example, it considers banks operating in Abkhazia to be illegal, which makes it extremely difficult for them to secure finance and impossible for international organisations to facilitate reform even though expansion of the banking sector would be a key component of economic development.²⁵⁸ Economic development would also require Tbilisi to hand over decision-making on project development, implementation and monitoring to the Abkhaz, who will not relinquish control over their economy or institutions in exchange for funding and investment from Tbilisi.

There is little donor support for reforming public administration or building capacity in the legislative, judicial or executive branches of the de facto government.²⁵⁹ The U.S. Agency for International Development (USAID) told Crisis Group it would not work directly with the de facto authorities even if asked by Tbilisi.²⁶⁰ Instead, most donors and international NGOs cooperate with local NGOs. The EU through its Decentralised Cooperation Program, Conciliation Resources and International Alert have helped build civil society capacity. Others have focussed on youth.²⁶¹ Some Georgian-Abkhaz NGO cooperative projects exist but they rarely become sustainable, multi-ethnic projects.²⁶²

While aid programs have helped meet basic needs, they have not built trust between the sides or disseminated new technologies and European values. If the international community wants to play a more effective role in a peace process, it should begin by engaging the de facto authorities on non-political issues. If it does not, Abkhazia is likely to become even more isolated, self-centred and tied to Russia.

²⁵² “Considerations of the Georgian side”, op. cit.

²⁵³ Saakashvili UN address, op. cit.

²⁵⁴ For example, the International Committee of the Red Cross (ICRC) and Médecins Sans Frontières (MSF). Crisis Group interview, ICRC officer, Sukhumi, November 2006.

²⁵⁵ These projects are mostly too small and fragmented to have a significant impact on the Abkhaz economy as a whole.

²⁵⁶ Accion Contra El Hombre (ACH), Danish Refugee Council (DRC), Premier Urgence, UNDP and World Vision have made this shift. See “Aid Activities Update,” Abkhazia Information Centre, December 2006, <http://www.abkhazdev.info/>. The Austrian, UK, Danish, Dutch, Finnish, Norwegian, German and Swedish Governments, USAID and UN agencies are the main funders.

²⁵⁷ Abkhazia is barely mentioned in the Poverty Reduction Strategy Paper (PRSP) for Georgia, a standard International Monetary Fund three-year development tool prepared by the member country through a participatory process involving domestic stakeholders as well as external development

partners. See the Georgia PRSP at <http://www.imf.org/external/np/prsp/prsp.asp>.

²⁵⁸ Tamsin Wilson, “Assessment of Opportunities for Developing a Microfinance Project in Abkhazia”, UNDP, 23 March 2005.

²⁵⁹ “Aid Activities Update”, op. cit.

²⁶⁰ Crisis Group interview, head of USAID in Georgia, December 2006.

²⁶¹ Conciliation Resources supports a range of youth programs; IREX, American Councils and USAID offer study-abroad opportunities for students and teachers.

²⁶² Exceptions include media and education initiatives, including the newspaper *Panorama* (published in Sukhumi and Tbilisi), a Georgian-Abkhaz textbook on the conflict, five videos, and a series of radio diaries. Most have been supported by Conciliation Resources, www.c-r.org.

A. THE INGURI HYDRO-POWER PLANT

The Inguri Hydro-Power Plant (HPP) is the most successful example of post-conflict Georgian-Abkhaz cooperation. Since 1995, upon Georgian request, donors have contributed over \$40 million to its rehabilitation.²⁶³ The power plant, which began producing electricity in 1978, is the country's largest, with the world's highest (271.5 m) arch dam and a powerhouse with five generating units.²⁶⁴ The dam is in Georgia proper, the powerhouse on Abkhaz territory. Georgia considers Enguhresi Ltd. the owner of the complex, while the Abkhaz say it is owned by Chernomor Energo, but this has not hampered cooperation because both recognise that the plant and dam have no value without the other.²⁶⁵

The HPP is significant for both sides' energy security. Georgia has struggled to satisfy its electricity needs since independence,²⁶⁶ and the plant has the potential to provide 50 per cent.²⁶⁷ Improvements to it could help reduce dependency on Russian natural gas. Inguri electricity is cheap to produce, reliable and environmentally clean. Abkhazia relies on it to meet all its electricity needs.²⁶⁸ The plant's electricity is

shared under a "gentlemen's agreement"²⁶⁹ and a June 1998 memorandum of understanding in which the two sides stated that the European Commission (EC) would assist with rehabilitation and that thereafter they would share use, maintenance and joint exploitation of the site.²⁷⁰

Almost a decade passed between the initial allocation of international funds²⁷¹ and completion of the first-phase rehabilitation projects. The EBRD loan went to the Georgia State Electrosystem (GSE), the state-owned power utility. GSE passed part of it on to Enguhresi Ltd., the state-owned company that operates Inguri HPP. The EC grant contractee is the Georgian Ministry of Fuel and Energy, together with Engurhesi Ltd. The Abkhaz side does not have contractual obligations to any of the donors.

Until recently only four of five generators were operational and on an emergency regime. There was serious leakage at the dam's water outlets because the stoplog sank in 1994. In 2004-2006 the third generator was completely rebuilt, adding 260 MW, enough to supply 10 per cent of Georgia's electricity. A new stoplog and hoisting system were installed with EC money.²⁷² The EBRD financed major repairs of the dam's foundations and its tunnel connection to

²⁶³ The Inguri plant never ceased operations before, during or after the war.

²⁶⁴ Inguri HPP was planned as part of a large cascade of power plants on the river. Georgia seeks funding/investment to finish the Khudoni hydro-power project, 32 km upstream. The World Bank has approved a \$5 million technical assistance grant for it, <http://www.bankwatch.org/project.shtml?s=1620107>; <http://www.minenergy.gov.ge/files/>.

²⁶⁵ Crisis Group email communication, de facto deputy foreign minister, November 2006.

²⁶⁶ Some 70 per cent of Georgia's power supply is from hydroelectric generation. Capacity of 2,843 MW is shared between 23 large-scale plants and 80 small generating plants, ten MW each. Inguri has by far the largest capacity (1,300 MW). See www.ebrdrenewables.com/sites/renew/countries/Georgia/profile.aspx. In 2005 Inguri provided 30 per cent of Georgia's electricity supply.

²⁶⁷ Inguri HPP has not been privatised like other electricity production and distribution facilities in Georgia. Crisis Group interview, official, EBRD, Tbilisi, November 2006. In 2003 RAO UES from Russia bought Telasi (Tbilisi power distribution) and the Gardabani Thermal Power plant, two of Georgia's other main electricity sector assets.

²⁶⁸ Abkhazia's topography is ideal for hydroelectric power generation. Perepadnaya II-IV and Sukhumi II, with a 140-MW combined capacity, are other plants whose production has halted. See <http://www.abkhazia.org/esdev.html>.

²⁶⁹ Crisis Group email communication, de facto deputy minister of foreign affairs of Abkhazia, November 2006; Crisis Group interviews, de facto deputy prime minister, Pitsunda, September 2006; staff, project implementation unit (PIU), Tbilisi, November 2006. In winter 40 per cent of the electricity goes to Georgia, 60 per cent to Abkhazia. In summer Georgia receives 80 per cent, Abkhazia 20 per cent.

²⁷⁰ "Memorandum of Understanding on Inguri HPP rehabilitation". Also signed was a "Protocol on Security Provision of EBRD hired international staff for Inguri HPP rehabilitation work".

²⁷¹ Assessments began in 1997; in 1998 the EBRD committed to provide a \$38.75 million loan to the Georgian government. See EBRD project summary document at <http://www.ebrd.com/projects/psd/psd1998/4304.htm>. The European Commission made a 9.4 million Ecu grant under the 1999 rehabilitation program for Georgia, which included two large projects. The first (five million Ecu) was managed by EBRD and implemented by Voith Siemens; the second (4.4 million Ecu) was supervised by Engurhesi and implemented by DSD Dillinger Stahlbau.

²⁷² The stop log is a 200-ton metal door that can close the dam's water outlets. To operate it, a hoisting system is needed to lower it along the dam wall into the lake. "European Commission Financed Large-Scale Repair Works at Inguri Hydro-Power Plant (Georgia/Abkhazia)", EC Delegation to Georgia and Armenia, press release for inauguration ceremony, 20 October 2006.

the power station,²⁷³ which closed the HPP between March and July 2006 and were completed in October 2006. Until the plant was back on-line, Georgia gave Abkhazia free electricity.

Technical issues and security problems have hampered rehabilitation. In January 2006 a plant worker was shot and killed in Gali district. In reaction, Voith Siemens pulled out international engineers, whose work was put on hold until mid-February. To avoid more significant delays, the sides rapidly agreed on additional security measures.²⁷⁴ CIS peacekeepers guard the plant on the Abkhaz side. When rehabilitation work was being performed, they also patrolled the roads between plant and dam.²⁷⁵ Abkhaz police escort consultants, while a private security service works on the Georgian side.

With the first phase completed, the EC plans to allocate an additional €1.78 million to refurbish another turbine²⁷⁶ and the EBRD to extend its existing loan by \$10 million²⁷⁷ to insure that the HPP can be at full capacity by 2008.

The Inguri HPP is the one concrete example of successful cooperation between Georgians and Abkhaz. Technical teams have implemented rehabilitation with little intervention by politicians. “Technical people have no problems to cooperate....The people working there don’t care about politics. They care about producing as much energy as possible”, an observer told Crisis Group.²⁷⁸ A working group on Inguri created within the Sochi

process in 2003 never met as the technicians were far ahead of their political counterparts.

An expert said: “Inguri is an enormous asset for both parties. I almost think that it has kept them both from going back to war. If Russia closes down the power house, Georgia will be in the dark. It forces all sides to cooperate”.²⁷⁹ The mutual interests are so high that the power complex is managed without a formal written agreement. While it is difficult to imagine anything similar, Georgia should propose to large donors such as the EBRD other infrastructure support projects in Abkhazia for which it would be willing to serve as guarantor.

B. THE BLACK SEA RAILWAY

Georgia and Abkhazia could serve as a key north-south transportation link between Russia and Turkey and, via Armenia, to Iran. The Georgian railway system directly links to those of Armenia, Azerbaijan and Russia. Since 1992, however, the connection along the Black Sea via Abkhazia has been closed, due to wartime destruction, post-war banditry and CIS economic restrictions. Without it, Georgia and Armenia have no direct railway to Russia. Reopening the 200-km segment could benefit Georgia,²⁸⁰ Abkhazia,²⁸¹ Russia,²⁸² Armenia²⁸³ and Turkey.²⁸⁴

²⁷³ 5.3 km of underground galleries, a 16-km pressure tunnel, the pressure gallery and valve chamber, a road linking the powerhouse and the dam, the workers settlement and equipment to monitor geophysical movement were also rehabilitated, www.ebrd.com/new/stories/2006/060822.htm. The contractor is a joint venture of Board Longyear and three Georgian companies.

²⁷⁴ They also signed a “Protocol on Security Provision of EBRD hired international staff for Inguri HPP rehabilitation work”.

²⁷⁵ Crisis Group interview, staff, Project Implementation Unit (PIU), Tbilisi, November 2006.

²⁷⁶ Funds are being re-allocated from the second phase of the rehabilitation and reconstruction project. Crisis Group interview, official, EC Delegation to Georgia, Tbilisi, November 2006.

²⁷⁷ Crisis Group interview, EBRD official, Tbilisi, November 2006. The EBRD’s \$10 million will pay for rehabilitation of the last two turbines, the dam water gates, galleries and pressure tunnel, and the hiring of an independent engineer to supervise the work.

²⁷⁸ Crisis Group interview, PIU staff, Tbilisi, November 2006.

²⁷⁹ Crisis Group interview, official, EBRD, Tbilisi, November 2006. The Abkhaz claim that if Inguri was closed down, they would receive electricity from Russia. Crisis Group interview, de facto president of Abkhazia, Sukhumi, September 2006.

²⁸⁰ Georgia has a railway link to Russia via Azerbaijan (Vesyoloe-Ingiri), which like all others with Russia is presently blocked by Moscow. It has potential to boost economic activities in western Georgia, particularly in agriculture. Georgia has promoted the opening of a Poti-Kavkaz railway-ferry link with Russia but it has only run twice, in 2005.

²⁸¹ The Abkhaz recognize that their economy needs a better railroad. Crisis Group interview, de facto president of Abkhazia, Sukhumi, September 2006. Sukhumi estimated that with minimum freight cargo, it would receive between \$500,000 and \$800,000 a month. Inal Khashig, “Abkhaz Railway – Light at End of Tunnel?”, Institute of War and Peace Reporting (IWPR), Caucasus Report Service, 27 July 2005.

²⁸² Russia would benefit from lower costs for maintaining its military base in Armenia. A connection to the railroad to Iran might strengthen Russian-Armenian-Iranian political ties. George Kacharava, “Restoring the Georgia-Russia Railway Connection: Good or Bad Idea?”, *Central Asia and Caucasus Analyst*, 3 May 2006.

Talks on rehabilitation of the Vesoloe-Ingiri railway link began in 1994 but there was little progress for a decade. An Abkhaz observer noted “It’s a shame that more was not done earlier. In 1994 the railway was in good shape and it would not have cost much to repair it. Today it’s a very expensive project”.²⁸⁵ Nevertheless, rail traffic was resumed between Sukhumi and Sochi in December 2002, without Georgian approval.²⁸⁶ Tbilisi claimed this violated agreements to resume the railway only in parallel with IDP/refugee return. It also was contrary to the 1996 CIS economic restrictions.²⁸⁷

Negotiations on resumption of the Georgian-Abkhaz link resumed after March 2003, when Putin and Shevardnadze agreed to expedite “the launch of a railway Sochi-Tbilisi service in parallel with the return of refugees and IDPs, first to the Gali region”.²⁸⁸ A railway working group was created within the Sochi process and meetings held to plan an assessment.²⁸⁹ Progress ended with the Georgian Rose Revolution and the de facto presidential elections in Abkhazia. Tbilisi was reluctant to proceed on economic cooperation as long as it felt there was no movement on returns. Talks resumed, however, in 2005, when Saakashvili’s administration decoupled the issue from refugee return.²⁹⁰ Prime Minister Nogaideli said:

The previous government of Georgia had a negative attitude towards the reopening of the Abkhaz section of this railway link. The current

government has adopted a more constructive approach. But there are a very large number of preconditions and issues that need to be resolved before this becomes the reality.²⁹¹

The Sochi working group met four times in June-July 2005 and agreed to a joint Russian, Georgian and Abkhaz assessment,²⁹² which 41 experts, in three teams, conducted 17-23 October.²⁹³ A 177-page technical document was signed on 25 October.²⁹⁴ Most of the route needs major repair: sleepers are rotten, rails worn out and infrastructure dilapidated.²⁹⁵ According to a Russian Railways official, at least \$100 million is required.²⁹⁶ Georgian experts estimate that once funding is secured, repairs will take two years.²⁹⁷

The sides agreed in Moscow on 19 January 2006 to establish a joint stock company, “Black Sea Railways Consortium”, with Russian, Georgian, Abkhaz and Armenian participation.²⁹⁸ In Moscow on 3-4 May,

²⁹¹ In Jean-Christophe Peuch, “Georgia: Authorities indicate possible compromise on Abkhaz railway”, RFE/RL, 16 June 2005.

²⁹² Each side would fund its own experts. “Protocol of the Working Group meeting on Restoration of Sochi-Tbilisi railway communication”, 15 June 2005, signed in Moscow. The Working Group also agreed on security provisions. *Ibid.*, 19 July 2005, signed in Sukhumi. SRSR Tagliavini participated in the talks, but not in subsequent ones held in 2006.

²⁹³ The first technical assessment mission (9 August-1 September 2005) was held without the Georgian experts, because the Abkhaz objected to the inclusion of IDPs from Abkhazia.

²⁹⁴ Crisis Group interview, Guga Chavchanidze, technical director, Georgian Railways, October 2006.

²⁹⁵ The railroad can tentatively be divided into three parts: Vesoloe-Sukhumi; Sukhumi-Ochamchira; and Ochamchira-Ingiri. The first and second need some repair, especially of bridges and tunnels, but are usable; the third is completely destroyed. *Ibid.*

²⁹⁶ This would not include reconstruction of the Inguri railway bridge. Peuch, *op. cit.*; also, “Armenia to take part in restoration of railway through Abkhazia”, *Pan Armenian News*, 16 May 2005.

²⁹⁷ Crisis Group interview, Guga Chavchanidze, technical director, Georgian Railways, October 2006.

²⁹⁸ It was the first time Armenia participated in these talks. The Abkhaz side was not present and did not sign the protocol. In all 2005 protocols, Abkhazia was presented as the “Abkhaz side” equal with the “Russian side” and the “Georgian side”, but the 2006 documents referred to “the Abkhaz section of the railway”, while the Georgian side was termed “the Georgian Railways”. This was viewed negatively in Abkhaz public opinion and debates. “Protocol of the meeting on the creation of an international consortium for the opening of the Vesoloe-Ingiri throughway”.

²⁸³ With its rail links to Azerbaijan and Turkey closed, Armenia has a vital interest in direct traffic with Russia via Georgia.

²⁸⁴ The railway would provide the cheapest and shortest link between Turkey and Russia.

²⁸⁵ Crisis Group interview, Abkhaz de facto deputy prime minister, Pitsunda, September 2006.

²⁸⁶ The entire rail line Moscow-Sukhumi resumed in September 2004. See Zaal Anjaparidze, “Tbilisi weighs response to Abkhazia’s latest shift toward Moscow”, *Eurasia Daily Monitor*, vol. 1, Issue 85, 15 September 2004.

²⁸⁷ See, for example, statement of the Ministry of Foreign Affairs, 18 April 2003, explanatory note, at <http://www.georgiaemb.org/Print.asp?id=137>. Russia responded that the railway was a humanitarian project implemented by a commercial company. Khashig, *op. cit.*

²⁸⁸ Statement of Putin-Shevardnadze meeting, *op. cit.*; “Notes from the Russian-Georgian Working Group on the issues of restoration of Sochi-Tbilisi railway”, Tbilisi, 26 June 2003.

²⁸⁹ “Notes from the Russian-Georgian Working Group”, *op. cit.*

²⁹⁰ Some analysts claim Georgia did so in exchange for Russia’s agreement to close its last two military bases in the country.

the four defined its tasks²⁹⁹ and approved Russian Railways as its secretariat.³⁰⁰ The Russians submitted a document detailing by-laws, suggested the consortium be registered in Moscow and asked the others for reactions by 1 June.³⁰¹ The parties agreed to continue discussions in July in Tbilisi but this did not happen.³⁰²

The process appears to be stalled, if not entirely frozen.³⁰³ Political will has dwindled. Georgia – already critical of the Sukhumi-Sochi line – fears the railway will further open Abkhazia to Russian trade and influence. Without progress on returns and with Russia restricting all Georgian imports since late 2006, Tbilisi has little interest in a compromise. Abkhazia feels it has a sufficient rail tie to Russia for now, and repairs would mainly benefit those in Western Abkhazia. Some fear the railway would increase the entity's vulnerability.³⁰⁴ Consequently there was a public outcry when it became known that "the necessary precondition for the successful implementation of the project is the transfer of Vesyloloe-Ingiri infrastructure to the Consortium".³⁰⁵

²⁹⁹ To organise rehabilitation of the Vesyloloe-Ingiri infrastructure and its future use. "Protocol of the Working Group Meeting on Restoration of Vesyloloe-Ingiri Railway line", signed in Moscow, 3-4 May, 2006.

³⁰⁰ The sides also agreed to draw up a business plan, possibly with help of a foreign consultant, and to prepare proposals on short and mid-term cargos flows. *Ibid.*

³⁰¹ The Georgian side was critical of this proposal and suggested that the Consortium be registered in Vienna.

³⁰² "Abkhaz railway consortium set up", *Civil Georgia*, 05 May 2006.

³⁰³ Crisis Group interview, de facto Abkhaz deputy prime minister, Pitsunda, September 2006. According to Russia's special envoy, Mikheil Bocharnikov, progress is continuing since "once commercial people have sat down to do business they continue", Crisis Group interview, Moscow, October 2006.

³⁰⁴ They recall that in August 1992 Georgian units first entered Abkhazia under the pretext of protecting the railway. Crisis Group interview, de facto authorities, Sukhumi, September 2006. Also according to the de facto minister of foreign affairs, "we remember how Georgia had planned to use the railway in 1992 to deploy troops and equipment overnight", in Paul Rimple, "Abkhazia and Georgia: Ready to ride on the peace train?", *Eurasia Insight*, 8 May 2005. The railway is mainly on Black Sea coast-land, which has high strategic as well as financial value.

³⁰⁵ "Protocol of the Working Group", *op. cit.* This first became evident on 20 June 2006 when the Abkhaz de facto deputy prime minister presented the project to the Abkhaz parliament. There was further criticism at subsequent NGO roundtables, articles in *Apsny Press* (in Russian), 20, 27, 29 and 30 June. The main opposition bloc, Narodnoye Forum Yedinnaya Abkhazia (National Forum United Abkhazia), and other

De facto president Bagapsh told Crisis Group he opposes handing over Abkhazia's part but "we will do the railway project...it will be difficult for Abkhazia to develop its economy without it".³⁰⁶

A senior Georgian railway official said: "If there is no political will, the project won't get done".³⁰⁷ However, many organisational obstacles also must be overcome, such as issues of consortium registration and shares, customs and border posts, revenue division and security. For example, Georgia will demand inspection rights and customs control on the Psou River crossing; the Abkhaz will insist Georgian control start only at Inguri.

C. RESTRICTIONS ON TRADE

1. International trade

Significant limitations on the movements of Abkhaz have been in place since the end of the war. These were made official on 19 January 1996, when CIS countries declared that in order not to "support separatist regimes, [they would] refrain from the establishment of political, economic and other cooperation with them, nor render any economic, financial, military or other assistance". They also agreed that "without consent of the Government of Georgia", they would not "exercise trade-economic, financial, transport or other operations with the authorities of the Abkhaz side; [and] not engage themselves in official contacts".³⁰⁸

Tbilisi has continued to enforce the restrictions, though a long-time observer noted: "Trade restrictions cause much hardship in Abkhazia but instead of forcing the Abkhaz to make political concessions, isolation generates a siege mentality that reduces the propensity to compromise".³⁰⁹ As far back as 1998, a

opposition parties issued a statement against the project on 30 June. "Statement by political parties, social political and civil movements", *Apsny Press*.

³⁰⁶ Crisis Group interview, de facto president of Abkhazia, Sukhumi, September 2006.

³⁰⁷ Crisis Group interview, Guga Chavchanidze, technical director, Georgian Railways, October 2006.

³⁰⁸ "On Measures for Settlement of the Conflict in Abkhazia, Georgia", decision taken by the Council of the heads of state of the CIS, 19 January 1996. In a separate presidential decree, 31 January 1996, Georgia declared: "Sukhumi seaport, port points, sea border, and Georgian-Russian border in the territory of Abkhazia will be closed for any kind of international transport except the transportation of humanitarian cargoes carried out according to this decree".

³⁰⁹ Jonathan Cohen, "Economic Dimensions," *Accord*, 1999.

UN assessment mission called for their easing to create a more conducive environment for negotiations.³¹⁰

Russia violates or ignores many of the restrictions. In 2000 it allowed men of military age to cross its border. In April 2006 it declared foreigners would be authorised to cross into Abkhazia.³¹¹ Turkish traders routinely ignore the embargo. There is considerable trade in hazelnuts, citrus, petrol, scrap metal and timber across the Psou River with Russia and across the Black Sea with Turkey. But trade, air and sea travel to Abkhazia is still banned.³¹² The Georgian coast guard detains ships which enter Abkhaz waters or seaports without Tbilisi's permission,³¹³ though cargo ships from Turkey, Russia, Bulgaria and Romania still risk the penalties.

Senior Georgian officials admit the sanctions are not working³¹⁴ but are unwilling to lift them as a

confidence-building measure. Rather, Tbilisi insists on retaining them as a bargaining chip for progress on refugee and IDP return.³¹⁵ In the meantime, the embargo secures Abkhazia's dependence on Russia, which is the largest market for Abkhaz exports. Abkhaz shops sell predominantly Russian goods. Abkhaz who want to exit the country almost exclusively do so through Sochi on Russian passports, and Russian tourists freely cross the border.³¹⁶ Russia is also investing. Moscow municipal authorities, for example, are putting money into a \$60 million "Moscow House" in Sukhumi and developing a twelve-hectare plot in Pitsunda.³¹⁷ In June 2006 they provided 200,000 tons of bitumen to assist road construction.³¹⁸ The Sukhumi-Psou road repair – at least 99 million roubles (\$3.8 million) is financed by Russian sources.³¹⁹ Russia talks of reopening Sukhumi airport and weekly Sukhumi-Moscow flights.³²⁰

In turn Georgia threatens to block Russia's entry into the World Trade Organisation (WTO) if it continues to trade with Abkhazia (and South Ossetia) through "illegal checkpoints" not regulated by Tbilisi. While Abkhaz de facto authorities reject relinquishing control of their frontier with Russia as "preposterous",³²¹ Georgia hopes WTO leverage will convince Moscow

³¹⁰ The report found that trade restrictions had "a far-reaching impact on psychological terms and in creating a sense of isolation, which tends to solidify political positions and opposition to compromise and economic integration...[In addition they are] impeding or stalling local efforts towards normalcy and reconstruction...In Abkhazia, Georgia, this has produced a negotiating climate where the payoffs of political accommodation are not seen as beckoning rewards, but as the unacceptable costs of concessions that, by this token alone, are spurned". "United Nations Needs Assessment Mission", op. cit.

³¹¹ Russian government resolution no.154, April 2006. The Georgian foreign ministry charged this violated fundamental principles of international law and bilateral 8 October 1993 agreement on border checkpoints. "Information for the Press", 13 April 2006.

³¹² In July 2004 Georgia fired on a cargo ship approaching Sukhumi and threatened to sink any ships – including those carrying Russian tourists – entering its waters without permission, leading the Abkhaz temporarily to suspend negotiations.

³¹³ Reportedly Georgian authorities detained 22 vessels in 2004-2006. On 30 October 2006, the coast guard detained a Bulgarian ship, whose owner was fined \$488,000. "Georgian coast guards detain Bulgarian ship for entering Abkhazia harbour", *Caucasus Press*, new bulletin #2, 10 October 2006. The coast guard detained two fishing vessels (Russian and Ukrainian) in the Abkhaz section of Georgia's territorial waters on 10 January 2007. The captains were sentenced to two-months pre-trial detention on 12 and 13 January. "Captains of Russian, Ukrainian vessels sentenced to custody", *Civil Georgia*, 14 January 2007.

³¹⁴ The Abkhaz side claims that 80 per cent no longer exist, though difficulties are caused for assignment of codes, import of medicines and explosives (the latter especially to be used at the Tkvarcheli mine) and the opening of the Sukhumi airport. Crisis Group interview, Abkhaz de facto prime minister, Sukhumi, September 2006.

³¹⁵ Crisis Group interview, president of Georgia, Tbilisi, April 2006.

³¹⁶ According to the Abkhaz de facto authorities Abkhazia had 110,000 visitors in 2005. Crisis Group interview, de facto prime minister, Sukhumi, July 2006. This number is much debated. Other estimates put it at two million, Crisis Group interview, de facto minister of foreign affairs, Sukhumi, May 2006.

³¹⁷ Yuri Nersesov, "Bagapsh: 'We're expecting substantial investment'", *Zavtra*, no. 43, 25 October 2006, p. 3.

³¹⁸ Manana Mchedlishvili, "Moscow is surfacing the roads in Abkhazia", *Rezonansi*, 13 June 2006, p. 3 (in Georgian).

³¹⁹ Crisis Group focus group discussion, local NGO activists, Sukhumi, July 2006. President Saakashvili announced on 12 December that Georgia would finance construction of a modern highway to the Abkhaz inter-entity line at Inguri, but not beyond. He suggested it would show the Abkhaz what they were missing in infrastructure development. With Russia willing to pay for similar road reconstruction in Abkhazia, however, the incentive to turn to Georgia is not evident.

³²⁰ "Tbilisi: Start of civilian flights between Sukhumi and Moscow is a violation of Georgian sovereignty", *Regnum*, 21 December 2006.

³²¹ De facto minister of foreign affairs Shamba stated: "We will never allow Georgian customs officers to take positions on the [river] Psou, and I think that Russia will support us", in RFE/RL Newline, vol. 10, no. 216, Part I, 22 November 2006.

to allow Georgian or international monitors to be present.³²²

However, Georgia is clearly losing the wider battle for economic leverage in Abkhazia. The entity's dependence may survive even a political settlement if Russian investors gain a controlling stake in its economy. Tbilisi should unilaterally lift the restrictions to both produce good will and reduce that dependence.

2. Cross-entity trade

While limitations on international trade are governed, at least on paper, by the CIS restrictions, the reasons why trade is so limited across the Inguri river are harder to discern. Some does occur.³²³ Market traders in Abkhazia sell a combination of goods from Russia and Georgia, and it is possible to find small quantities of Abkhaz goods in Zugdidi. However, inter-entity trade remains limited even though price differentials exist.³²⁴

If Georgia is largely to blame for maintaining the international embargo, problems within Abkhazia are mainly responsible for restrictions on trade with Georgia proper. Georgians and ethnic Abkhaz residents in Abkhazia can bring goods into Abkhazia but are subject to a "customs duty" on the Abkhaz side.³²⁵ Georgia opposes this; and the argument goes to the heart of the status issue. Allegedly the Abkhaz maintain a list of products authorised to enter from Georgia.³²⁶ Cash crops that ordinarily could be transported from Abkhazia to Georgia such as nuts and citrus are often purchased by monopolies run by ethnic Abkhaz, who sell them in Russia where prices

are higher.³²⁷ As a result, farmers in Abkhazia do not have significant surplus to trade.

According to a Georgian official, "there are no legal acts that restrict the movement of agricultural goods [across the cease-fire line]".³²⁸ However, goods coming over the Inguri are subject to searches and possible confiscation as unregulated imports that have transited through Abkhazia. The Abkhaz are categorically against having their goods licensed in Georgia, so they have no clear legal status there, including barcodes and health and safety certification; the companies that produce them are not registered.³²⁹

Georgian and Abkhaz businessmen and analysts have informally considered ways to overcome these obstacles. A Georgian group has been investigating a possible 30-km wide special zone of economic development (SZED) on either side of the ceasefire line. Its main promoter argues it could be a focal point for cross-entity trade and confidence building, without requiring resolution of political issues.³³⁰

Ultimately the biggest limitation on cross-entity trade is the concern on both sides that economic interaction would benefit one more than the other. The Abkhaz do not want trade since they fear it would give Tbilisi more leverage; Georgia does not want to promote Abkhazia's growth if it would give the entity more resources to support self-determination. Similarly, while businesspeople maintain links and, with the support of a range of international organisations, discuss common projects and economic approaches to conflict resolution, they are nervous about publicising their contacts lest cooperation be confused with collaboration.³³¹

³²² "Prime Minister Outlines Georgian Position on Russian Accession to WTO", RFE/RL *Caucasus Report*, 16 November 2006.

³²³ Generally through unsupervised crossings. Crisis Group interview, Georgian expert on Abkhaz trade, Tbilisi, December 2006.

³²⁴ The range of goods produced in Abkhazia is still very limited. Most agriculture production is the same as in Georgia, so there is no strong, market-driven need for Georgians to buy Abkhaz goods. There are goods produced in Georgia (and Turkey) which the Abkhaz would potentially be interested in. Crisis Group interview with NGO staff, Gali and Sukhumi, November 2006.

³²⁵ Abkhaz crossing the Inguri bridge are allegedly told to pay a \$28 fee to Abkhaz "custom officials". Crisis Group interview, representative of international organisation, Sukhumi, January 2007.

³²⁶ Crisis Group interview, UNDP staff, Tbilisi, October 2006.

³²⁷ Some nuts and citrus make it to the Georgian side of the Inguri but in either small amounts transported by individual growers or larger hauls organised by criminal groups (often Georgian-Abkhaz). Crisis Group interviews, Gali, June 2006.

³²⁸ Crisis Group email correspondence, adviser, Ministry of Conflict Resolution, December 2006.

³²⁹ Crisis Group email communication, senior program officer, International Alert, December 2006.

³³⁰ Crisis Group interview, Lasha Tugushi, Tbilisi, December 2006.

³³¹ Crisis Group interviews, Georgian entrepreneur, Tbilisi, December 2006; Abkhaz entrepreneur, Sukhumi, July 2006.

VII. CONCLUSION

A comprehensive political settlement of the Georgian-Abkhaz conflict is unrealistic in the current environment. Each side considers any change of its stance on final status detrimental to its vital interests. They have been bogged down for years in the technicalities of internationally-mediated negotiations that have produced few results. In 2007 they should move forward on practical issues where some foundations for cooperation have already been laid. They have common interests in the non-resumption of conflict, refugee/IDP return to Gali, law enforcement cooperation, and infrastructure and economic development – all areas where trust could be built by collaboration.

If this is to happen, however, it is essential that Georgia stop blaming all developments in the conflict on Russia and wasting its limited resources on trying to reduce Moscow's role in the peacekeeping and diplomatic formats. It must instead work harder at communicating with the Abkhaz as legitimate and equal partners. Collaboration and trust can only be built if Tbilisi and Sukhumi accept each other as reliable counterparts who both gain from working together. Abkhazia must stop seeing all moves coming from Tbilisi as threatening and put its own interests ahead of any being promoted by Russia. Both sides should no longer regard concessions – for example, the lifting of economic restrictions – as the loss of a bargaining chip. The eye-for-an-eye approach they have followed has only helped perpetuate stalemate.

If negotiations remain stalled, the security situation will be particularly precarious in the coming months. Neither side should take steps that might be interpreted as provocative by the other or further undermine the little trust that exists. Georgian-Abkhaz direct dialogue and meetings on security must continue. Especially in and around Kodori and Gali, the two sides must be vigilant to ensure that incidents do not escalate to produce greater armed conflict.

Tbilisi/Brussels, 18 January 2007

APPENDIX A

THE GEORGIA-ABKHAZIA CONFLICT ZONE



APPENDIX B

ABOUT THE INTERNATIONAL CRISIS GROUP

The International Crisis Group (Crisis Group) is an independent, non-profit, non-governmental organisation, with nearly 120 staff members on five continents, working through field-based analysis and high-level advocacy to prevent and resolve deadly conflict.

Crisis Group's approach is grounded in field research. Teams of political analysts are located within or close by countries at risk of outbreak, escalation or recurrence of violent conflict. Based on information and assessments from the field, it produces analytical reports containing practical recommendations targeted at key international decision-takers. Crisis Group also publishes *CrisisWatch*, a twelve-page monthly bulletin, providing a succinct regular update on the state of play in all the most significant situations of conflict or potential conflict around the world.

Crisis Group's reports and briefing papers are distributed widely by email and printed copy to officials in foreign ministries and international organisations and made available simultaneously on the website, www.crisisgroup.org. Crisis Group works closely with governments and those who influence them, including the media, to highlight its crisis analyses and to generate support for its policy prescriptions.

The Crisis Group Board – which includes prominent figures from the fields of politics, diplomacy, business and the media – is directly involved in helping to bring the reports and recommendations to the attention of senior policy-makers around the world. Crisis Group is co-chaired by the former European Commissioner for External Relations Christopher Patten and former U.S. Ambassador Thomas Pickering. Its President and Chief Executive since January 2000 has been former Australian Foreign Minister Gareth Evans.

Crisis Group's international headquarters are in Brussels, with advocacy offices in Washington DC (where it is based as a legal entity), New York, London and Moscow. The organisation currently operates thirteen field offices (in Amman, Bishkek, Bogotá, Cairo, Dakar, Dushanbe, Islamabad, Jakarta, Kabul, Nairobi, Pristina, Seoul and Tbilisi), with analysts working in over 50 crisis-affected countries and territories across four continents. In Africa, this includes Angola, Burundi, Côte d'Ivoire, Democratic Republic of the Congo, Eritrea, Ethiopia, Guinea, Liberia, Rwanda, the Sahel region, Sierra Leone, Somalia, Sudan, Uganda and Zimbabwe; in Asia,

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